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ABSTRACT

The report presents findings of an audit of preschool special education programs in Washington State. It was found that the enrollment had quadrupled since 1978-79, with the majority of programs center-based. Three school districts over-reported preschool handicapped enrollment, and suggestions are offered for revising enrollment audits and monitoring. Children with quantifiable conditions amounted to 41.5% of the total enrollment, while the remainder were classified in categories usually considered mild. Eligibility and assessment standards were examined and recommendations made for revision. Funding practices as they related to severity ratios and staffing ratios were analyzed, as were estimated revenues and expenditures in eight school districts. Absence of program data was noted as a major obstacle to determining the appropriateness of local program expenditures. Recommendations were made for enforcing state rules encouraging mainstreaming of handicapped preschoolers, since the majority were served in self-contained classrooms. A further recommendation was made to simplify and clarify the funding formula. Appendixes include a list of recommendations and an assessment of their fiscal impact, copies of the 1984 preschool legislation and of the official changes in state rules, and an analysis on numbers of unserved preschool handicapped children. (CL)

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FOREWORD

This study of preschool handicapped programs originated with a directive in the 1983-85 State Appropriations Act:

"The Legislative Budget Committee shall conduct a performance audit of the common school preschool handicapped program with respect to staffing and severity ratios ..." (Section 4 of Chapter 76, Washington Laws, 1983 1st Ex. Sess.)

Staffing and severity ratios are elements of the special education funding model, usually known as the ABCD formula.

As used in the report, the term "preschool" refers to special education programs for handicapped children usually age 3, 4, or 5, including the kindergarten year. The children in that age group are served in one eligibility and reimbursement category called "Developmentally Handicapped."

Major sources for the report include interviews, budget and program data developed by surveys and other methods, and the statutes and program rules. Dr. Matthew Temmel, Management Auditor on the staff of the Legislative Budget Committee, conducted the research and wrote the report between August and December 1983. The preliminary report was discussed at the Legislative Budget Committee meetings of December 1983 and January 1984. Some materials were updated and revised for the final report in August 1984.

The LBC staff appreciates the help and cooperation of the Superintendent of Public Instruction and local school districts. Special thanks go to the staff members in eight school districts who developed preschool budget materials.

DONALD F. PETERSEN
Legislative Auditor

Report approved and authorized
for distribution by the Legislative
Budget Committee on August 17, 1984.

SENATOR JIM MCDERMOTT
Chairman

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I. SCOPE AND OBJECTIVES

SCOPE

This report examines certain aspects of preschool programs of special education, that is, preschool programs offered by local school districts for handicapped children. A study was required by Section 4 of the 1983-85 Appropriations Act (Chapter 76, Laws of 1983, First Extraordinary Session):

"The Legislative Budget Committee shall conduct a performance audit of the common school preschool handicapped program with respect to staffing and severity ratios and shall submit a report to the legislature before January 1, 1984."

The audit is conducted under these powers and under the statutory authority of the Legislative Budget Committee, Chapter 44.28 of the Revised Code of Washington.

OBJECTIVES

1. What kind of preschool programs of special education are offered in Washington? How many handicapped children are being served, and not served?
2. What is the nature and extent (severity) of the handicapping conditions?
3. Is the present funding formula and allocation model (LEAP Document #6) adequate and appropriate for supporting preschool special education?
 - a. How does the formula work? How was it developed?
 - b. What are the staffing ratios in local district preschool programs of special education?
 - c. What are local district revenues and expenditures for preschool special education?

II. SUMMARY

A. Introduction

The Legislative Budget Committee was directed by statute to examine preschool handicapped programs. The objectives of the report, briefly stated, are: (1) to describe the preschool handicapped programs, (2) examine the kind and severity of handicapping conditions in the preschool population being served, and (3) analyze the funding system in relation to staffing and severity issues. The report does not examine program effectiveness.

Under Washington law as of 1983-84, preschool programs for handicapped children were permissive before the common school age. Most but not all school districts served handicapped children from age 3. State reimbursement in the local districts that were studied closely was approximately \$3,700 per year for each preschool handicapped child. Preschool funding is distributed through the special education allocation system known as the ABCD formula.

B. Preschool Programs

Most preschool programs are "center-based," with the children attending class for two to three hours a day. Other programs are "home-based," with a teacher making a weekly home visit. About 64% of the preschool handicapped children served in October 1983 were boys and 36% girls. During the 1983-84 school year the average monthly enrollment was 3,534. Preschool handicapped enrollment has quadrupled since 1978-79.

C. Over-Reporting of Enrollment

The LBC staff found that Seattle, Tacoma, and Spokane school districts over-reported preschool handicapped enrollment. Spokane, which mistakenly over-reported 21 students one month, has revised its enrollment report. New reports should also be submitted by the other two districts.

In Tacoma the source documents did not confirm the reported preschool handicapped enrollment in any of the three months that were examined. Enrollment was over-reported by 2.91% over the three months. The Superintendent of Public Instruction should require revised reports and adjust state payments. The amount in question is approximately \$7,600.

In Seattle the issue is double-reporting of 110 preschool handicapped students (age 5). Contrary to SPI reporting standards, the district includes all of these children on both the special education enrollment report and the basic education report, even though only seven were enrolled in regular kindergarten. The Superintendent of Public Instruction should require the district to comply with the reporting standards and revise the basic education enrollment reports. State payments for 1983-84 should be adjusted. The amount in question is approximately \$120,000.

Enrollment audits and monitoring are essential to an enrollment-based funding system. It is recommended that the State Auditor test the accuracy of handicapped enrollment reports in selected school districts. The Superintendent of Public Instruction should also make provision for management review of handicapped enrollment reports. This can be accomplished by adding a fiscal monitor to the special education program monitoring teams.

These enrollment reporting problems are discussed below at pages 5-8, 43-44, and recommendation 10.

D. Severity

Because special education funding is linked to the "severity" of the handicapping conditions, this report examines the kind of handicapping conditions in the preschool population. All handicapped children served prior to the first grade are officially identified as "Developmentally Handicapped." This is an age-group category covering many different handicapping conditions, degrees of "severity," and program cost. The LBC staff conducted a survey of school districts to develop information on the subject. The survey covered 2,742 children, or 96% of the preschool enrollment in October 1983.

School districts were asked to classify their preschool handicapped children by functional handicapping category, according to their best judgment. The results are shown in the charts on pages 10-11. Children with quantifiable conditions amounted to 41.5 percent of the total. The other 58.5% were placed in categories usually considered "mild." In percentage terms the distribution between quantifiable and "mild" handicapping conditions has been reversed since 1979.

E. Eligibility

Since 1980 the eligibility criteria for preschool handicapped programs have been based on "developmental delay." Children are considered significantly handicapped if they have a 25% delay from chronological age in two of eight developmental areas. The report includes information on the number of developmental areas in which "mild" children qualified for service. In the selected school districts 19% of the total preschool enrollment in October 1983 qualified for service in two developmental areas or less. The chart on page 15 shows the variation by district.

According to the rules in effect at the time of the audit, developmental delay is assessed and documented by use of "standardized or professional recognized developmental scales which result in chronological age equivalents." A 1982 survey by SPI found that at least 110 assessment instruments were in use.

The report recommends that the eligibility and assessment standards be revised. In response to legislation passed in 1984, the Superintendent of Public Instruction has adopted new rules on these matters. The rules are shown in Appendix 4 of the report.

F. Funding

The report examines the complex ABCD funding formula. The formula was originally intended as an allocation model to distribute resources on a district-specific and child-specific basis. The plan was based on the assumption that there is a correlation between the extent of "educational delay" and program cost. The greater the delay, it was thought, the higher the cost. According to the original plan, each district would test handicapped children for educational delay, and the test results would determine an "A," "B," "C," or "D" level of funding. When introduced in 1980, however, the allocation model was turned into a formula using the same severity and staffing factors for each district.

The "severity ratios" spread across the ABCD matrix appear to distinguish between levels of "severity" and resource need within each handicapping category. In actuality, the formula generates a fixed number of staff per student in each handicapping category. For example, a preschool enrollment of 100 generates funding to support 8.77 instructors or therapists.

The preschool staffing ratios produced by the formula are one instructor or therapist for every 11.4 children, one aide for every 22.8 children, or a combined total of one adult for every 7.6 children (headcount). In half-day preschool programs the staffing ratios might be twice as "rich," such as one adult for every 3.8 children. These ratios are funded staffing ratios. Since the allocation model allows local control, the actual in-classroom ratios may be different.

The survey of October 1983 found that school districts were staffing preschool programs at that time at a higher level than the above figures. However, these findings are not significant, mainly because the survey was conducted in an unrepresentative month. Staffing ratios are at their "richest" in October because most of the staff have been hired but the enrollment is at its low point. The formula staffing ratios are annual averages.

There are no nationally-recognized preschool handicapped staffing level standards. Thus it remains a matter of opinion whether the funded staffing levels are adequate.

G. Preschool Revenues and Expenditures

The preschool part of the funding formula was revised in 1983 and now produces fewer staff units. In an attempt to determine whether funding is adequate, the report examines estimated revenues and expenditures for preschool programs in eight school districts.

In four of the districts the state and federal revenues generated by the preschool enrollment will exceed direct expenditures for the preschool program. In the other four districts direct expenditures will exceed preschool revenues. See the table on page 32.

The estimated expenditures vary from a low of \$3,102 per pupil in Aberdeen to a high of \$4,959 in Edmonds. The report discusses possible reasons for the great difference in expenditure levels. There appears to be no positive relationship between estimated program expenditures and the "severity" of the population being served. Moreover, differences in instructional staffing ratios may not be the main factor in explaining differences in expenditure levels. Administrative costs and salary variables also appear important.

A great obstacle to determining the appropriateness of local program expenditures is the absence of program data. The state does not collect information from school districts on the kind and amount of preschool service, such as the hours of class time or the kind of educational placement. The report recommends that the Superintendent of Public Instruction collect program data and introduce preschool program standards.

The report documents (p. 39) that in the center-based programs that were studied, the great majority of five-year-old handicapped children are served in self-contained special education classrooms. These placements for mildly handicapped children may cost more than handicapped placements in regular education with support services. They also appear to run contrary to the "least restrictive environment" provisions of federal and state law. It is recommended that the Superintendent of Public Instruction enforce more effectively state rules which encourage "mainstreaming" of handicapped kindergarten children.

After analyzing the funding issues and related program matters that may affect expenditures, the report concludes that the 1983-84 allocations can support a reasonable level of preschool service. This opinion is based on (1) the growing proportion of "mild" conditions in the preschool population, and (2) the analysis of preschool revenues and expenditures in the eight school districts.

H. The ABCD Formula

The report recommends that the Superintendent of Public Instruction simplify and clarify the funding formula. The ABCD ratios, the vestige of a funding plan that was not implemented, have no function now that cannot be filled by a simpler formula. In terms of funding levels, there is no such thing as an "A," "B," "C," or "D" student, in preschool or any part of special education. The obscurity and complexity of the formula may contribute in some districts to poor planning and special education expenditures that exceed allocated funds. There also appears to be a general lack of understanding of how formula funds are "split" between special education and basic education, that is, how much basic education money is generated by the handicapped enrollment.

III. FINDINGS

A. Introduction

Under state law as of the 1983-84 school year, each local school district was required to provide "an equal educational opportunity for all handicapped children of common school age," that is, from age 5. Preschool programs could be offered to younger handicapped children, at the option of the school district.*¹ Most districts served handicapped children from age 3.

NOTE: The law was amended in 1984 so that school districts will be required to offer preschool handicapped education from age 4 in the 1984-85 school year and from age 3 by 1985-86. (See Appendix 4 of this report.) The report examines preschool handicapped programs in 1983-84, when the "permissive" law was in effect.

State rule-making and administrative authority for special education, including preschool, rests with the Office of the Superintendent of Public Instruction (SPI). Under RCW 28A.13.020 the Assistant Superintendent for Special Services, under the direction of the Superintendent, "shall coordinate and supervise the program of special education for all handicapped children in the school districts of the state." Rules for special education may be found in Chapter 392-171 of the Washington Administrative Code (WAC).

In Public Law 94-142, the Education for All Handicapped Children Act of 1975, Congress granted to handicapped children the right to a "free appropriate public education." Many features of this landmark legislation and regulations have shaped the content and procedures of special education, including preschool. Services must include needed instruction and "related services," such as physical therapy, communication disorders services, and parent counseling. The services are specified in an individualized education plan (IEP) drawn up each year by school officials in consultation with the child's parents. Federal law protects handicapped children by granting extensive rights of hearing and appeal. These provisions, especially the "related services," add greatly to the cost of education for the handicapped.

*¹ Under RCW 28A.13.050 school districts may extend special education programs to preschool handicapped children and are then entitled to state handicapped funding.

The biennial appropriation for special education is \$279 million (state funds), including at least \$25 million for preschool handicapped programs. State funding in 1983-84 for the local programs that were studied in this report averaged \$3,700 per child. (State funding for regular education, grades 1-12, is approximately \$2,100 per full-time student.)

Special education, including preschool, is funded through an allocation model known as the ABCD formula, or LEAP Document #6 (1983-84). The formula is analyzed in a later section of the report.

B. Preschool Handicapped Programs and Enrollment

Objective 1: What kind of preschool handicapped programs are offered in Washington? How many handicapped children are being served, and not served?

The average monthly preschool enrollment during the 1983-84 school year was 3,534 developmentally handicapped children. During 1983-84, when the "permissive" law was still in effect, some 240 of the state's 299 local school districts offered preschool special education. Most school districts accepted responsibility for handicapped children from age 3.*1 Services are provided in various ways, including district-operated programs, inter-district cooperatives, contracts with an educational service district or a neighboring local district, and contracts with private approved agencies.

Most district-operated preschool programs are center-based, with the children attending two to three hours a day. A few home-based programs also exist. In this "Portage" model a teacher, therapist, or paraprofessional makes weekly visits to the home and trains the parent to teach the child. Some center-based programs also include weekly or monthly home visits.

An LBC staff survey in October 1983 found that 64% of the preschoolers that month were boys and 36% girls. The reasons for this large difference are not clear.

*1 By interagency agreement the Department of Social and Health Services may provide special education to handicapped children from birth through age 2. In 1983-84 some 20 school districts also served children in this age group. An interagency agreement is authorized under RCW 28A.13.030.

Most sources indicate that there were relatively few preschool handicapped children who were not served in 1983-84. Approximately 60 out of the 299 local districts did not serve three and four-year-olds. In early 1984 it appears that in these 60 districts there were an estimated 104 developmentally handicapped children (age 3 and 4). Details of this estimate are given below in Appendix 5.

Preschool handicapped enrollment has quadrupled since 1978-79. During the 1978-79 school year the average monthly enrollment was 888. During the 1983-84 school year the enrollment was 3,534 developmentally handicapped children, plus another 1,745 who were communication-disordered. The age distribution was as follows:

TABLE 1

PRESCHOOL ENROLLMENT, 1983-84

Developmentally Handicapped

<u>Age</u>	<u>Number</u>	<u>Percent</u>
0-2	118	3.4
3	743	21.0
4	1,047	29.6
5	<u>1,626</u>	<u>46.0</u>
Total	3,534	100.0

Communication-Disordered

<u>Age</u>	<u>Number</u>	<u>Percent</u>
0-2	.1	0.1
3	60	3.4
4	215	12.3
5	<u>1,469</u>	<u>84.2</u>
Total	1,745	100.0

Handicapped enrollment is reported monthly to SPI. State reimbursement to local school districts is based on the eight-month average enrollment (October-May) of the current year. Because preschool enrollment climbs during the school year, districts are not certain of their average enrollment and the amount of state reimbursement until late in the school year. The following chart shows the preschool enrollment increases during the last three years on a statewide basis.

PRESCHOOL HANDICAPPED ENROLLMENT

By Month, 1981-1984

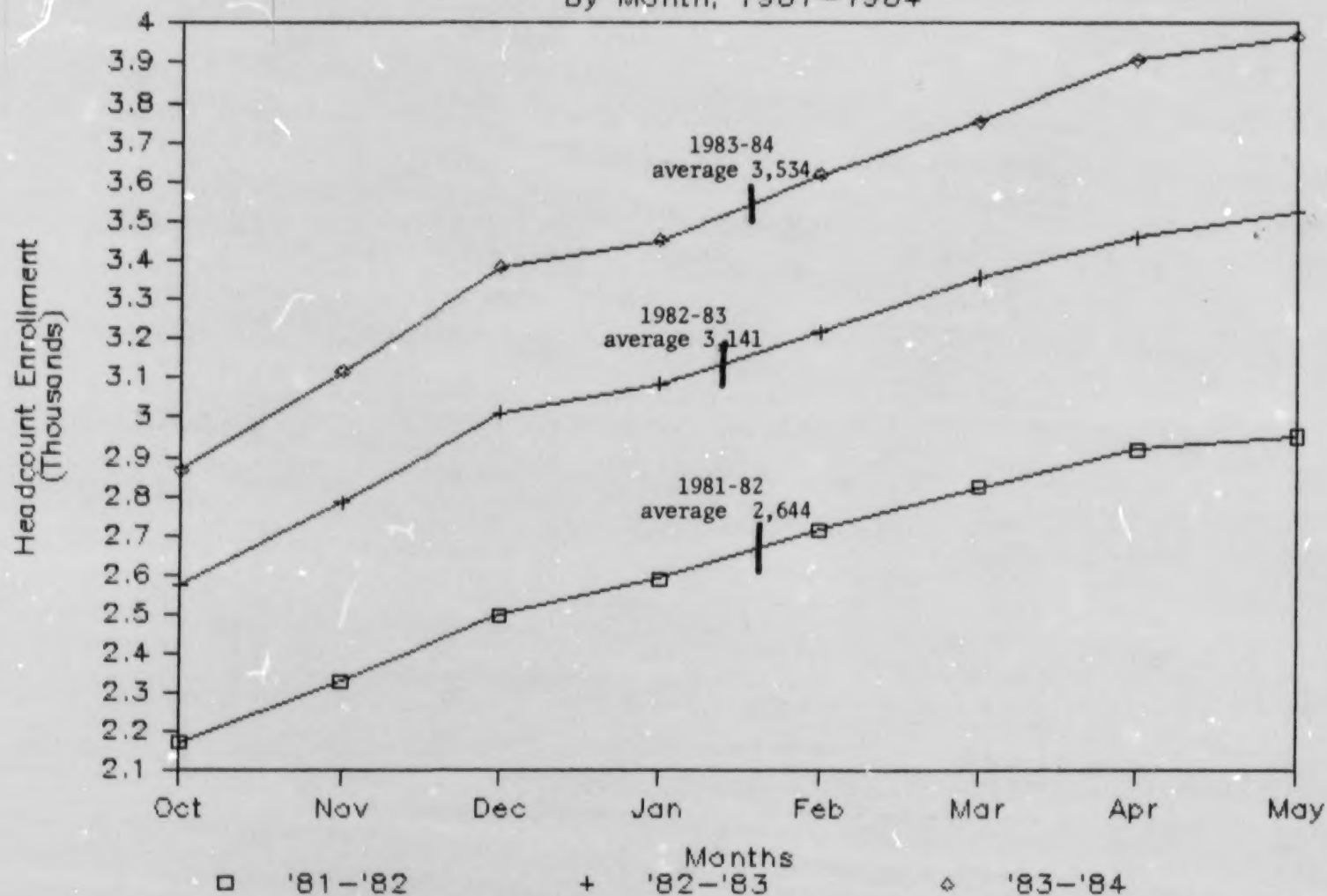


TABLE 2

C. Over-Reporting of Enrollment

The handicapped enrollment reports submitted monthly by school districts are not audited on a regular basis by the State Auditor, SPI internal auditors, or SPI special education monitors. The monitors visit school districts usually once every three years to examine compliance with special education regulations. This monitoring does not normally include testing of enrollment reports.

The State Auditor audits basic education enrollment but not handicapped enrollment. Thus the state makes no provision at present for routine audits of handicapped enrollment.

The LBC staff found over-reporting of preschool handicapped enrollment by the state's three largest school districts.

1. Seattle

For the 1983-84 school year Seattle School District included all of its five-year-old preschool handicapped pupils both on the handicapped enrollment report (P-223H) and on the basic education enrollment report (P-223). Each five-year-old handicapped child was reported as one full-time-equivalent (FTE) pupil in special education and as .5 FTE (kindergarten) in basic education. This double reporting generates for the district an estimated \$4,014 per pupil in handicapped funds and an additional \$1,165 per pupil from basic apportionment. The \$1,165 per pupil is questionable because few of the handicapped pupils were enrolled in a basic education program.

According to the SPI reporting instructions, the double reporting is appropriate only if the preschool handicapped child attends regular kindergarten in addition to receiving handicapped services.*1 In April 1984, according to material supplied to the LBC staff by the district, seven preschool handicapped children in Seattle (out of 122 handicapped five-year-olds that month) were enrolled in a regular

*1 Reporting instructions are given in SPI Financial Services bulletin no. 49-83 (August 24, 1983): "Preschool Handicapped children reported in the 5-K column of the P-223H should be reported on the P-223 only if they are attending a regular kindergarten program or are enrolled full time in addition to being served in a preschool handicapped program."

kindergarten. If the enrollment reporting is not corrected, the 1983-84 over-payment will amount to approximately \$120,000. The exact amount depends on the average monthly enrollment of preschool handicapped children in regular kindergarten. (See appendix 3, Fiscal Impact).

The above findings emerged from an LBC staff request for information from Seattle and seven other school districts in April 1984. The seven other districts appear to report preschool enrollment according to the instructions in the enrollment bulletin.

2. Tacoma

The LBC staff examined preschool handicapped enrollment reports and source documents in the Tacoma School District. The work took three days in February 1984 and was conducted with the assistance of a district preschool coordinator.

By examining the source documents provided by the district staff, the auditor attempted to verify the entire Preschool Developmentally Handicapped enrollment for three selected months. The source documents included class rosters and P-223H (handicapped enrollment) summary sheets for each school or class with preschool handicapped children. The district's monthly report to the state is compiled from these documents.

The findings are summarized below.

TABLE 3

Tacoma School District

Preschool Developmentally Handicapped Enrollment

<u>Month</u>	<u>No. Reported on P-223H</u>	<u>No. Verified</u>	<u>Over-Reported</u>
October 1983	225	215	10
April 1983	216	213	3
December 1982	<u>195</u>	<u>190</u>	<u>5</u>
TOTAL	636	618	18 (2.91%)

The discrepancies by month and school were as follows:

TABLE 4

Tacoma, October 1983

<u>School</u>	<u>No. Reported</u>	<u>No. Verified</u>	<u>Over-Reported</u>
Seward	41	33	8
Skyline	20	18	<u>2</u>
TOTAL			10

April 1983

<u>School</u>	<u>No. Reported</u>	<u>No. Verified</u>	<u>Over-Reported</u>
Seward	31	29	2
Birney (Hearing Impaired)	8	7	<u>1</u>
TOTAL			3

December 1982

<u>School</u>	<u>No. Reported</u>	<u>No. Verified</u>	<u>Over-Reported</u>
Whittier Devel.	36	34	2
Lister Language	24	23	1
Skyline	18	17	1
Visually Impaired	8	7	<u>1</u>
TOTAL			5

The preschool handicapped enrollment in Tacoma generated approximately \$3,712 per child for the 1983-84 school year and \$3,925 in 1982-83.

3. Spokane

Survey information on preschool handicapped students from the Spokane School District in October 1983 showed a discrepancy with the number of preschool students on the handicapped enrollment report:

TABLE 5

Spokane School District

	<u>P-223H</u>	<u>LBC Survey</u>
October 1983	104	84

Telephone conversations with two members of the Spokane special education staff in November 1983 indicated that the survey information was probably correct and that the enrollment report would be revised. The district revised the enrollment report after the matter was raised, more than a month later, in the preliminary version of this report (December 16, 1983). The amended enrollment report shows 83 preschool handicapped students for October 1983, or 21 less than first reported by the district.

D. Severity

Objective 2: What is the nature and extent (severity) of the handicapping conditions?

Because special education funding in Washington is ostensibly linked to the "severity" of the handicap, the LBC staff studied the nature and extent of the handicapping conditions of the children enrolled in preschool programs. It is common to speak of handicaps as "mild," "moderate," "severe," "profound," and other subjective terms. Previous SPI surveys to ascertain the "severity" of the preschool handicapping conditions have foundered on problems in defining such terms.

For example, an SPI survey of 80 districts in December 1982 defined the degree of severity as follows:

Mild: Functions at 50% to 75% of chronological age in two or more developmental areas.

Moderate: Functions at 25% to 50% of chronological age in two or more areas.

Severe: Functions at 25% or less of chronological age in two or more areas.

Two-thirds of the responding school districts reported the majority of their preschoolers in the "mild" category. However, the definitions are extremely rigorous and focus only on the depth of delay. Thus the survey drew protests from the field. A second survey was then undertaken in three educational service districts covering King and Pierce counties, Southwest Washington, and Eastern Washington.

The second survey used definitions combining the depth and breadth of developmental delay as follows:

Mild: No more than a 25% delay in one area or in any two of the following: self-help, expressive language, and gross motor.

Moderate: Twenty-five to 50% delay in any two of the following areas: cognitive, receptive language, socialization, sensory, and fine motor. Or a 25 to 50% delay in one of these areas in combination with one listed above under Mild.

Severe: Twenty-five percent or more delay in three or more areas.

Under these somewhat lenient definitions, 16% of the preschoolers had a mild handicap, 33% moderate, and 51% severe -- roughly the reverse the first survey. The two surveys, taken together, show that professionals are unclear on the criteria for considering a developmental delay "mild," "moderate," or "severe."

The LBC staff survey in October 1983 used another approach. The purpose was to develop information on the kind of handicapping conditions among preschoolers served under the term "Developmentally Handicapped" (i.e., delayed). The survey results cover 2,742 children, birth through age 5, or 96% of the preschool enrollment that month. Respondents were asked to use their best judgment to choose a primary handicapping condition for each developmentally-delayed preschooler. The categories were those used in school-age special education, with some grouping of categories. The results are shown below.

TABLE 6
PRESCHOOL ENROLLMENT OCTOBER 1983
BY PRIMARY HANDICAPPING CONDITIONS

	<u>No. of Males</u>	<u>No. Of Females</u>	<u>Total</u>	<u>Percent</u>
Deaf or Hard of Hearing	89	62	151	5.5
Blind or Visually Handicapped	26	12	38	1.4
Deaf-Blind	2	0	2	0.0
Mentally Retarded-- Moderate or Severe	226	144	370	13.5
Orthopedically Impaired	86	69	155	5.7
Other Health Impaired	69	34	103	3.8
Multihandicapped	175	144	219	11.6
Seriously Behaviorally	63	17	80	2.9
Mildly Mentally Retarded or Specific Learning Disability	846	436	1,282	46.8
Communication Disordered	<u>170</u>	<u>72</u>	<u>242</u>	<u>8.8</u>
TOTALS	1,752	990	2,742	100.0

The first seven conditions in the above chart (Deaf through Multihandicapped) are quantifiable impairments. They can be medically diagnosed and measured. The other conditions (behaviorally disabled, mildly mentally retarded, learning disabled, and communication disordered) are not measurable, have unknown or debatable causes, and are usually considered "mild" in comparison to the quantifiable conditions. It must be remembered, however, that there are different degrees of severity within any handicapping category.

The following table groups the 1983 survey data into "mild" and "quantifiable" conditions and compares them to the situation in 1979. Categorical eligibility/reporting for preschoolers was in effect at that time.

TABLE 7
QUANTIFIABLE AND "MILD" CONDITIONS
IN PRESCHOOL ENROLLMENT (AGE 0-5)

	<u>1978-1979</u>		<u>October 1983</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Quantifiable Handicaps	526	59.2	1,138	41.5
Mild Handicaps	362	40.8	1,604	58.5

Source: P-223 H report, 8-month average, 1978-79 school year; LBC staff survey, October 1983.

Table 7 shows that most of the growth has come in the "mild" categories. In percentage terms, the distribution between the mild and quantifiable handicapping conditions has been reversed since 1979.

The following section of the report examines the 1980 change in the preschool eligibility criteria, which may have encouraged or caused this trend.

E. Eligibility

By statute the Superintendent of Public Instruction has rule-making authority for special education, including "functional definitions of the various types of handicapping conditions and eligibility criteria for handicapped programs." (RCW 28A.13.010) Until September 1980 preschool children had to meet the same tests of "categorical eligibility" used for school-age special education. The eleven functional categories were modelled on the handicapping categories in federal Public Law 94-142.

Two reasons are cited for the state's abandonment of the categorical criteria for preschoolers:

- Problems in diagnosing and differentiating between handicapping conditions in young children, especially in testing for learning disabilities, emotional problems, and mild mental retardation.
- The undesirability of stigmatizing young children with a handicap label, especially mental retardation.

In 1980, therefore, SPI adopted by rule a "non-categorical" eligibility standard for preschool. It is basically an age category (0-5) lumping together all handicapping conditions.

Under WAC 392-171-381 (as in effect 1980-84), the children are considered "developmentally handicapped" and eligible for special education if they show a 25% delay from chronological age in at least two of the following developmental areas: fine motor, gross motor, expressive language, receptive language, social, self-help, cognitive, and sensory development.

An exception clause allows the assessment team to qualify children who do not meet this standard but who have "high predictability of future developmental delays." Children with medically-diagnosed congenital syndromes can qualify with medical documentation.

Eligibility by developmental delay applies to children through the kindergarten year. Upon entry to the first grade, if special education is to continue, the child must be reassessed and found eligible under a school-age category.

The major issues surrounding preschool eligibility by developmental delay are:

1. How impaired is the "mild" preschool population in terms of developmental delay?
2. How is developmental delay assessed?
3. What does developmental delay mean? Does delay mean that the child is or will be handicapped?
4. Should kindergarten children be eligible for special education because of developmental delay?
5. How many other states use developmental delay standards for preschool eligibility?
6. Has eligibility by developmental delay contributed to the increase in preschool enrollments, especially to the growing proportion of "mild" children?

ISSUE 1: HOW IMPAIRED IS THE "MILD" PRESCHOOL POPULATION IN TERMS OF DEVELOPMENTAL DELAY?

In the October 1983 LBC staff survey, the school districts included 1,604 children (58.5%) in the "mild" handicapping categories. The question that remained unanswered was this: How mild is "mild"? In other words, what does "mild" mean in terms of developmental delay? This question was addressed through another level of data collection which was originated by ESD 112 and ESD 121 staff.

Attention was focused on 19 school districts which in the original survey had classified 678 of their 1,237 developmentally handicapped children (57%) as mildly mentally retarded, learning disabled, or communication disordered. The 19 districts also reported the areas of developmental delay for each of these 678 "mild" children. This approach reveals the developmental areas in which each child qualified for service but not the percent of delay (25% or more). The minimum standard is a 25% delay in two developmental areas.

Combined results from the 19 districts are shown on the next page.

TABLE 8
DEVELOPMENTAL AREAS IN WHICH
"MILD" CHILDREN QUALIFY FOR SERVICE

<u>No. of Dev. Areas in Which Children Have 25% or More Delay</u>	<u>No. of "Mild" Children</u>	
0 areas	18	} 62 "at risk"
1 area	44	
2 areas	168	
3 areas	184	
4 areas	120	
5 areas	78	
6 areas	42	
7 areas	20	
8 areas	4	
TOTAL		678

Mean 3.3 areas
Median 3 areas

The 62 children who qualified in one or no developmental area are the so-called "at risk" children served under the exception clause. In October 1983 they formed 5% of the total preschool handicapped enrollment in the 19 districts. Fifty-three of the 62 "at risk" children were concentrated in three districts: Tacoma, Highline, and Evergreen. Most districts had no children served under the exception clause.

The 168 children who qualified in two areas (plus the 62 "at risk" children) meet the minimum eligibility standard. These 230 children comprise 19% of the total preschool handicapped enrollment in the 19 districts. They might be called "minimum mild" or "very mild."

The variation by district is shown in the chart on the next page. The figures are shown as a percent of the district's total preschool handicapped enrollment in October 1983. The chart includes the number of developmentally handicapped children who:

- (1) Were classed by the district for survey purposes as mildly mentally retarded, learning disabled, or communication disordered, and
- (2) Were reported by the district as having a 25% delay in two developmental areas or less.

"VERY MILD" PRESCHOOLERS:

MILD CHILDREN WITH DEVELOPMENTAL DELAYS IN TWO AREAS OR LESS,
SHOWN AS A PERCENT OF DISTRICT PRESCHOOL ENROLLMENT, OCTOBER 1983

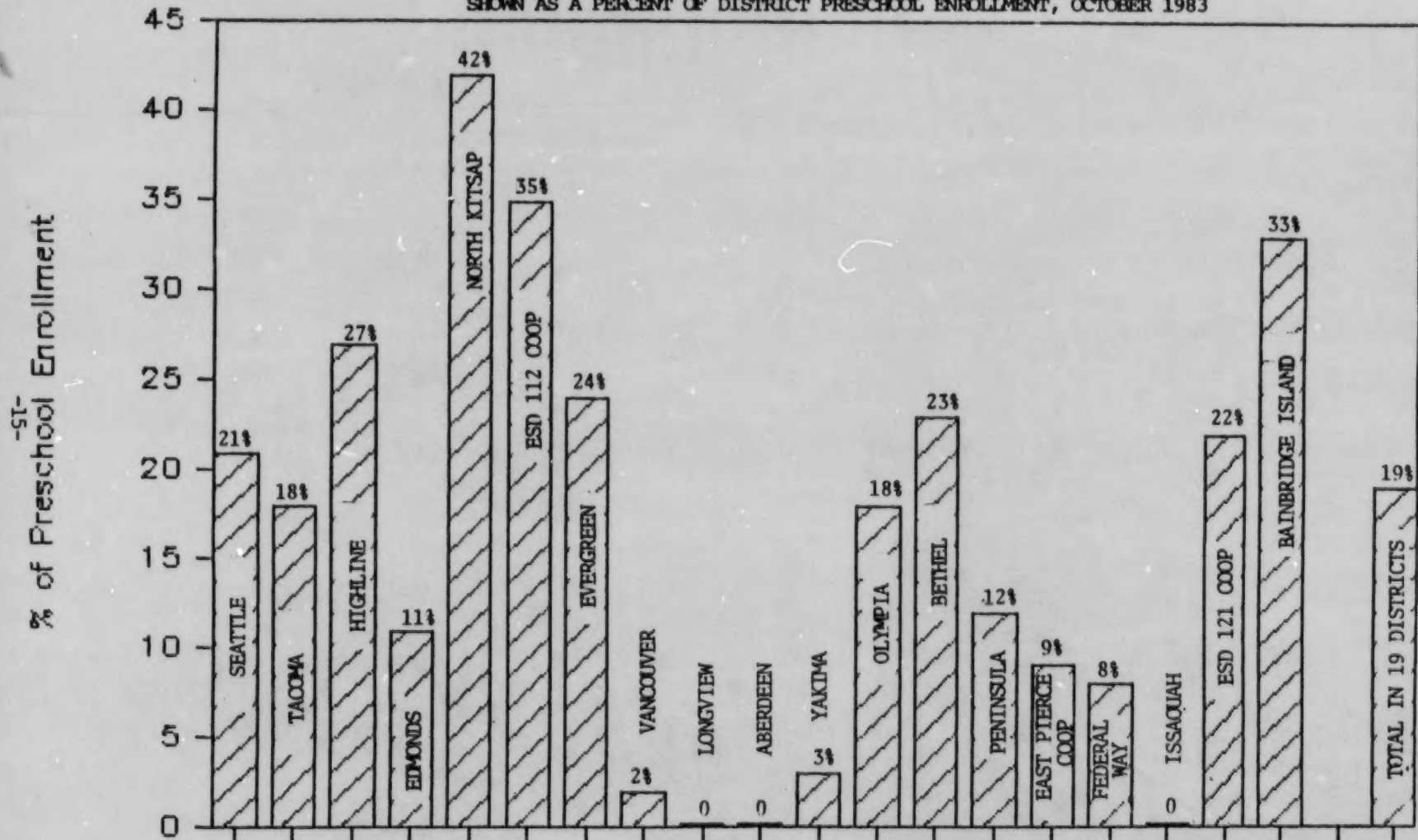


TABLE 9

ISSUE 2: HOW IS DEVELOPMENTAL DELAY ASSESSED?

Preschool eligibility by developmental delay is much influenced by the kind of tests that are used to qualify the child for service. Under WAC 392-171-381 the assessment team must develop for each child a "functional profile ... derived from individually administered, standardized or professionally recognized developmental scales which result in chronological age equivalents." The SPI Preschool Assessment Manual (1980) described 24 preschool assessment instruments of this kind.

The 1982 SPI survey found 110 different tests being used to identify and evaluate preschool handicapped children. Some of the instruments are "curriculum devices" used by kindergarten teachers. Since the survey returns came from only 80 districts, it is probable that more than 110 assessment tools are being used throughout the state.

Some psychologists and other local assessment staff report that it is easy to qualify children for preschool. If one test does not document the required amount of developmental delay, another test can be found.

ISSUE 3: WHAT DOES DEVELOPMENTAL DELAY MEAN? DOES A DELAY MEAN THAT THE CHILD IS OR WILL BE HANDICAPPED?

The answer depends on the kinds and extent of delay. Practicing professionals say that a 25% cognitive delay in a three or four-year-old child, especially in combination with other delays, is a reliable predictor of mild mental retardation, which can be remediated by early intervention. Gross motor delay, on the other hand, is usually considered a poor indicator or predictor of a handicapping condition. There appears to be little agreement on the meaning of other kinds and combinations of developmental delay, especially a minimum 25% delay in only two areas.

Supporters of developmental delay eligibility criteria hold that the present approach is designed to prevent the emergence of possible handicapping conditions. Critics of developmental delay respond that, on the whole, this form of preschool eligibility does not clearly indicate the presence of a handicapping condition or predict the emergence of a condition that will require special education in grade school. A delay can be simply a delay, not a handicap.

ISSUE 4: SHOULD KINDERGARTEN CHILDREN BE SERVED IN SPECIAL EDUCATION BECAUSE OF DEVELOPMENTAL DELAY?

The evidence indicates that a growing number of children are identified in kindergarten as developmentally delayed and served in special education only during that year. (In first

grade, they must qualify in a specific handicap category.) State reimbursement for a kindergarten child identified as developmentally delayed is three to four times the amount generated by a child in a regular kindergarten program. There are no state standards on the minimum time a kindergarten child must spend in special education classes to be counted for special education reimbursement.

ISSUE 5: HOW MANY OTHER STATES USE DEVELOPMENTAL DELAY STANDARDS FOR PRESCHOOL ELIGIBILITY?

Most states use the specific handicap categories in Public Law 94-142 to establish eligibility for both school age and preschool special education. A number of other states use a variety of "non-categorical" approaches, especially for younger children. For example, the local assessment team in some states is free to decide what constitutes a handicap and who should be served. Program control in such cases may be achieved through a high proportion of local funding.

Eligibility by developmental delay is one form of a non-categorical approach. Table 10 shows the states known to have state-wide preschool eligibility standards by virtue of developmental delay.

TABLE 10

STATES WITH PRESCHOOL ELIGIBILITY BY DEVELOPMENTAL DELAY

<u>State</u>	<u>Minimum Delay from Chron. Age</u>	<u>Minimum No. of Develop- mental Areas</u>	<u>Upper Age Limit for Dev. Delay Eligibility</u>
Washington	25%	2 out of 8	Through kinder- garten year
Oregon	25%	3 out of 4	To sixth birthday
California	25%	2 out of 8	4 years, 9 months
New Jersey	25%	2 out of 4	To 5 (before K)
Virginia	"signifi- cant delay"	1 out of 3	To 5 (before K)
Louisiana	15%	1 out of 3	To 6 (before K)
Vermont	40-50%	1 out of 4	Through K
Michigan	50%	1 out of ?	Through K

ISSUE 6: HAS ELIGIBILITY BY DEVELOPMENTAL DELAY CONTRIBUTED TO THE INCREASE IN PRESCHOOL ENROLLMENTS, ESPECIALLY TO THE GROWING PROPORTION OF "MILD" CHILDREN?

The records of the Special Education Funding System Task Force, 1979-80, make clear that the intent of the change in the eligibility criteria was to expand preschool services. The Task Force summed up the likely effects of the proposed change as follows:

- '(a) Anticipated increased enrollment to include 'mildly' delayed and communicatively disordered.
- "(b) Costs: need for greater dollar allocation to preschools; probably more cost effective than older.
- "(c) Benefits: Earlier detection and remediation.

More rapid progress due to early intervention.

Less Stigma.

Earlier integration/mainstreaming into regular program.

Program involvement."*1

Field testing of the proposed criteria in 1979 revealed that the change would bring into preschool classrooms many children previously served as communication-disordered-only. Funding for the new preschool developmentally handicapped category, once it was established in 1980, was at least five times greater than the amount allowed for communication-disordered-only children.

*1 Task Force record, Summation of written responses by Task Force Members for discussion, October 25, 1979.

F. Funding

Objective 3: Is the present funding formula and allocation model (LEAP Document #6) adequate and appropriate for supporting preschool special education?

- a. How does the formula work?
How was it developed?

1. How the ABCD Formula Works

State funding for special education, including preschool, uses an allocation model known as the ABCD formula, or LEAP Document #6. The ABCD formula generates funds for both the special education and basic education of handicapped students. Therefore, it is called a "full cost allocation model." The state no longer funds special education on an "excess cost" basis, despite the obsolete references to excess costs in Chapter 28A.10 RCW and RCW 28A.41.053.

The formula generates special education staff units based on the number of handicapped students in fourteen handicap categories, including preschool. Districts report their handicapped enrollment each month by category. The enrollment figure for each category is spread across the ABCD matrix of set percentages (sometimes called "severity ratios"). For instance, 100 preschoolers would be separated as follows:

<u>Category</u>	<u>Total Enrollment</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Preschool Handicapped	100	20	30	40	10

The number in each ABCD group is then divided by the prescribed staffing factor for each:

<u>Group</u>	<u>Staffing Factor</u>	<u>Instructional/ Therapy Units</u>
A 20	5.2	3.85
B 30	10.0	3.00
C 40	25.8	1.55
D 10	26.9	<u>0.37</u>
TOTAL		8.77

TABLE 11

17-Aug-83

THIS IS THE HANDICAPPED/SPECIAL ED MODEL

MODEL INCLUDES ADJUSTMENT
TO FULL COST. REQUIRES
INCREASING THE CERT & CLASS RATIOS
TO REFLECT ELIMINATION OF BEA
CALC

SPECIAL EDUC MODEL 83-85 BIENNIIUM/HOUSE BUDGET

ASSUMPTIONS	FY 84	FY 85
✓ PROB 21 CERT SALARY	26700	27005
✓ PROB 21 CLASS SALARY	17002	17032
HOME HOSPITAL	0	0
✓ MERC-PROB21/FTE	600	631
ECESS CARRYFORWARD	0	-NA-
BEA CARRYFORWARD	0	-NA-
FEDERAL	0	-NA-

86F 682244.18

SPECIAL EDUC MODEL 83-85 BIENNIIUM/HOUSE BUDGET

FORMULA UNIT WORKSHEET (1ST YEAR)

	TOTAL	0.20	0.30	0.40	0.10
1. PRESCHOOL HANDICAPPED	100	20	30	40	10
2. SERIOUSLY BEHAVIORALLY DISABLED	0	0	0	0	0
3. ORTHOPEDICALLY IMPAIRED	0	0	0	0	0
4. HEALTH IMPAIRED (N.I.)	0	0	0	0	0
5. SPECIFIC LEARNING DISABLED	0	0	0	0	0
6. MENTALLY RETARDED/MILD	0	0	0	0	0
7. MENTALLY RETARDED/MODERATE	0	0	0	0	0
8. MENTALLY RETARDED/SEVERE	0	0	0	0	0
9. MULTIHANDICAPPED	0	0	0	0	0
10. DEAF	0	0	0	0	0
11. HEARING IMPAIRED	0	0	0	0	0
12. VISUALLY HANDICAPPED	0	0	0	0	0
13. DEAF BLIND	0	0	0	0	0
TOTAL	100	20	30	40	10
14. COMMUNICATION DISORDERED	0				

A TOTAL /	5.20	=	3.85
B TOTAL /	10.00	=	3.00
C TOTAL /	25.00	=	1.55
D TOTAL /	26.90	=	0.37

INST/THERAPY UNITS 8.77

COMMUN DISORD TOT /	45.00	=	0.00	(CDS UNITS)
PUPIL TOTAL /	114.00	=	0.00	(ASSEN. UNITS)
I/T UNITS+CDS+ASS /	30.00	=	0.32	(ADMINISTRATION)

TOTAL CERT UNITS				9.97
ITU(PRE)	*	0.50	=	4.38
INST/THERAPY	*	0.36	=	.00
ADMINISTRATION	*	1.00	=	0.32

(AIDES)
(SECRETARIES)

TOTAL CLASSIFIED 4.71

The results are added to produce a total number of "instructional/therapy units" for the district. One hundred preschoolers in any district would generate 8.77 of these units.

Using various other ratios, the formula generates other kinds of certificated staff units and classified staff units. The formula also includes a set amount per headcount enrollment for Non Employee Related Costs (NERC). All of the staff units and NERC are then translated into an allocation of funds for a district via the SPI apportionment process. Factors for local salary levels are included in that process.

The formula allows full local control over the utilization of allocated funds. For example, the preschool enrollment in the above example generated revenue to support 8.77 instructors or therapists. The district is free to use the funding for any kind of staff, either in preschool or school-age special education.

The matrix gives the impression that A, B, C, and D students generate a different level of funding. In fact, a fixed number of special education staff units are generated per student in each handicap category. In "working the formula" to calculate instructional/therapy units, the matrix can be ignored and the enrollment multiplied by the following numbers:

TABLE 12
NUMBER OF INSTRUCTIONAL/THERAPY UNITS

<u>Category</u>	<u>Number of Instructional/ Therapy Units per Student</u>
Preschool Handicapped	.0877
Behaviorally Disabled	.0871
Orthopedically Impaired	.1240
Health Impaired	.0866
Learning Disabled	.0455
Mentally Retarded/Mild	.0768
Mentally Retarded/Moderate	.1324
Mentally Retarded/Severe	.1729
Multihandicapped	.1831
Deaf	.1532
Hearing Impaired	.1345
Visually Handicapped	.1038
Deaf-Blind	.1923
Communication Disordered	.0222

The total is the number of instructional/therapy units allocated for special education. A similar chart could be constructed to include all certificated staff and classified staff.

Through a complex procedure known as the "basic education backout," the handicapped formula is also used to generate basic education funds. The time factors are as follows:

<u>Group</u>	<u>Special Ed.</u>	<u>Basic Ed.</u>	<u>Total</u>
A	87%	13%	100%
B	67	33	100
C	43	57	100
D	18	82	100

In this manner the formula assumes that handicapped students spend on average a certain amount of time in special education and in basic education. The formula time assumptions by handicapping category are shown in the following table:

TABLE 13

FORMULA ASSUMPTIONS ABOUT TIME SPENT
IN SPECIAL EDUCATION AND BASIC EDUCATION

<u>Handicapping Condition</u>	<u>Special Ed.</u>	<u>Basic Ed.</u>
Preschool Handicapped	1.00	--
Behaviorally Disabled	0.57	0.43
Orthopedically Impaired	0.69	0.31
Health Impaired	0.58	0.42
Learning Disabled	0.41	0.59
Mentally Retarded/Mild	0.56	0.44
Mentally Retarded/Moderate	0.71	0.29
Mentally Retarded/Severe	0.83	0.17
Multihandicapped	0.85	0.15
Deaf	0.77	0.23
Hearing Impaired	0.72	0.28
Visually Handicapped	0.58	0.42
Deaf-Blind	0.87	0.13

The 1983-84 method of "splitting funds" is adjustment of enrollment headcounts as follows:

(1) Formula conversion of reported handicapped headcount enrollment into handicapped FTE enrollment (1220 report). The handicapped pupil FTE is shown in the special education column of Table 13 above.

(2) Subtraction of handicapped FTE enrollment from the basic education FTE enrollment. This "backout" occurs in the apportionment process (1191 report). The basic education FTE for a handicapped student is shown in the basic education column of Table 13.

Thus the ABCD formula generates both special education and basic education funds. Actual statewide averages for 1983-84 are not available at the time of writing. Therefore the following table shows the amount of funding in a single "typical" school district that was studied. (Because of local salary factors, the funding in other districts may vary in extreme cases by as much as \$500 per pupil.)

TABLE 14

FUNDS PER PUPIL GENERATED BY HANDICAPPED ENROLLMENT
IN A "TYPICAL" SCHOOL DISTRICT

<u>Category</u>	<u>Special Ed. Allocation</u>	<u>Basic Ed. Allocation</u>	<u>Total</u>
Preschool Handicapped	\$3,749	--	\$3,749
Behaviorally Disabled	3,573	\$ 925	4,498
Orthopedically Impaired	4,910	671	5,581
Health Impaired	3,557	914	4,471
Learning Disabled	2,052	1,268	3,320
Mentally Retarded/Mild	3,210	955	4,165
Mentally Retarded/Mod	5,212	615	5,827
Mentally Retarded/Sev	6,670	370	7,040
Multihandicapped	7,030	330	7,360
Deaf	5,961	493	6,454
Hearing Impaired	5,287	604	5,891
Visually Handicapped	4,154	899	5,053
Deaf-Blind	7,361	280	7,641
Communication Disordered	635	2,152	2,787

No special education director or district fiscal officer interviewed for this report held that the complexity of the formula is necessary or beneficial.

2. How The ABCD Formula Was Developed

The intent behind the formula is best explained by its history. In 1979 the Legislature, as part of the biennial appropriation for handicapped costs, added the following proviso:

"The Superintendent of Public Instruction shall implement for the 1980-81 school year a new full cost allocation model to fulfill the provisions of P.L. 94-142."

The new allocation model was built on the assumption that a handicapped student's "educational delay" is closely related to the cost of needed resources. The greater the delay, it was thought, the greater the resource consumption. The delays and costs varied widely within and between handicapping categories. Field data collected by SPI Fiscal Services staff in 1977-78 indicated that handicapped students could be grouped into four levels of delay/resource consumption. The groups were called A, B, C, and D, which were chosen as neutral terms to replace "severe," "moderate," "mild," and other labels. An ABCD matrix was constructed, and certain percentages within each handicapping category were projected to appear in the four groups.

Field testing of this concept in 1979-80 involved a three-fold research effort:

- (1) Identification of cost variables, measurement of costs, and division of the large sample of students into A, B, C, and D cost groups. The analysis was conducted on the basis of "professional judgments" of appropriate services to handicapped students in some 40 school districts.
- (2) Definition and measurement of educational delay, by testing some of the students placed in the cost groups. Testing was conducted in nine districts.
- (3) Correlational analysis between cost and educational delay measures.

The goal was a child-specific allocation system. Every district, using a battery of standardized tests, would test each eligible handicapped student for educational delay. The test results would determine whether the district received A, B, C, or D funding for the student. This goal was not reached in 1980 because:

- After the field sample students were split into A, B, C, and D on the basis of costs, their educational delay test scores showed little correlation with their cost group.
- Good testing instruments to measure "educational delay" were not available.

To meet the 1980 deadline imposed by the Legislature, SPI adopted the new allocation system using the ABCD percentages derived from the "professional judgment" activities (with some adjustment). The percentages in each handicap category were applied to all districts. The plan was to continue research and development, create the necessary tests to measure the severity of educational delay, establish the correlation with costs, and turn the formula into a district-specific, child-specific allocation model by September 1983.

These plans were apparently set aside in 1980, soon after the formula went into effect. A consultant to SPI pointed out that the ABCD labels had no specific meaning and simply amounted to a fixed number of staff units for each handicapping category. He advocated that districts should be paid according to the student's placement and level of service. According to the consultant, the formula's "split" of funds between special education and basic education discouraged mainstreaming of handicapped children. For example, thirty mildly handicapped children mainstreamed in regular education would not generate a single teacher.*1 In other words, the formula may promote confinement of handicapped children in special education.

*1 Letter from Charles D. Bernstein to Dr. Judy Schrag, Assistant Superintendent, October 15, 1980.

3. "Severity Ratios"

The 1980 formula distributed preschool handicapped children only in the A and B cost categories (50 A and 50 B). Few preschoolers were included in the ABCD research. The 1980 split was based not on "professional judgment" data but on a process of negotiation with local school districts.

In 1983 SPI altered the preschool "severity ratios" to their present form (20 A, 30 B, 40 C, and 10 D). This redistribution significantly lowered the number of staff units generated by preschool enrollment.*¹

The concept of "severity ratios" for preschool, or for all of special education, has no clear meaning. The very term "severity ratio" distorts the meaning of the ABCD percentages. They were first called "cost splits," because they were supposed to reflect appropriate program costs, which have many other variables besides "severity." The professional judgment teams eliminated "pupil characteristics" from the criteria used to cost out appropriate programs and divide students into ABCD cost groups. It was assumed that severity characteristics would be reflected in educational delay test scores, which would show a correlation with the cost groupings. If this concept is incorrect or cannot be demonstrated, then degrees of "severity" within the handicapping category may not be a viable means of distributing resources to local school districts.

The "severity ratios" are commonly said to be based on "statewide averages." The records indicate that this is not true. School districts which participated in the professional-judgment activities were not randomly selected. Seattle and Tacoma were not included in the study, except for hearing-impaired children in Seattle. Nor were students randomly selected in the participating districts. The records indicate that some districts selected high-cost students, thus exaggerating the formula percentages in the A and B cost groups.

*¹ The new spread appears to have been obtained by ascertaining the preschool staffing level in a number of school districts and then working backwards to reach an ABCD distribution that would produce that number of staff units.

4. Staffing Ratios

Objective 3b: What are the staffing ratios in local district preschool programs?

The purpose of this section is to examine whether the formula staffing ratios are sufficient to support local preschool programs. Staffing ratios are considered in two senses:

- a. The staffing factors built into the formula:
A/5.2, B/10, C/25.8, D/26.9.
- b. The staffing ratios actually generated by the formula, e.g., one instructor/therapist for every 11.4 preschool children.

a. ABCD Staffing Factors

As explained earlier in the report, the formula staffing factors in conjunction with the so-called severity ratios are used to generate instructional/therapy units. If the staffing factors (or the severity ratios) are altered, the number of allocated staff units also will change. The Legislature has altered the staffing factors three times:

<u>SPI</u> <u>1980-81</u>	<u>LEAP 2</u> <u>July 81</u>	<u>LEAP 3R</u> <u>Nov. 81</u>	<u>LEAP 6</u> <u>1983-84</u>
4.9	5.4	5.9	5.2
9.5	10.4	11.4	10.0
24.5	26.9	29.4	25.8
25.5	28.0	31.1	26.9

As a result of this and other changes, the formula now produces fewer staff units. Advocates of increased funding criticize the Legislature for this manipulation of the formula.

The original 1980 staffing factors, as shown in the above chart, were not based on field data as to the necessary staffing level for the students labelled A, B, C, or D. The "professional judgment" teams did not develop staffing factors. According to one architect of the allocation model, the 1980 staffing factors were "pure mathematical manipulations" to fit the available funding. The same could be said about the Legislature's subsequent changes in the staffing factors.

b. Funded Staffing Ratios

The staffing ratios produced by the formula are "composite staffing ratios" for funding purposes. They are not necessarily the same thing as a teacher-student ratio in the classroom. The formula allows districts to use their allocation to hire any kind of appropriate staff, such as teachers, therapists, aides, and others.

The funded staffing ratio is a budget calculation comparing the number of full-time staff with the number of enrolled children. For example, an enrollment of 100 preschool children generates 8.77 instructional/therapy units. The instructional/therapy staffing ratio is therefore 1 : 11.4. ($100 / 8.77 = 11.4$). The following table shows the staffing ratios that were examined:

TABLE 14

PRESCHOOL FUNDED STAFFING RATIOS, 1983-85

<u>Kind of Staff</u>	<u>Ratio of Staff to Children</u>
Instructors/Therapists	1 : 11.4
Instructional Aides	1 : 22.8
Adults (I/T and Aides)	1 : 7.6

In these ratios the first number is one full-time-equivalent staff person. The number of children is a headcount, not FTE pupils. Therefore, in half-day preschool programs the funded staffing ratios are twice as favorable: instructors/therapists, 1 : 5.7; aides, 1 : 11.4; adults, 1 : 3.8.

Concern was expressed by various parties that these funded staffing ratios might not be "rich" enough. The LBC staff therefore investigated the staffing levels of preschool programs.

The LBC staff survey of October 1983 collected data on staffing levels at that time. The districts were asked to report by name, job title, and full-time-equivalent value all preschool instructional/therapy staff and all preschool aides as of October 4, 1983. *1 The reported data showed

*1 Many of the survey returns had to be revised by the LBC staff after discussions with the respondents. Recurring problems occurred in calculating staff FTE values in a uniform manner and in including as "instructional/therapy staff" only the persons or parts of persons who were directly responsible for preschool instruction or therapy.

a statewide ratio of one instructor/therapist for every 8.9 children (budget = 1 : 11.4). For preschool aides the statewide ratio was one for every 20.4 children (budget = 1 : 22.8). The ratios differed greatly in various parts of the state. *2

The survey staffing ratios exceed the formula levels for at least two reasons:

- Each district has federal handicapped funding, usually comprising 4% to 7% of preschool funding. Some districts also levy local funds for special education. Because of these other resources, the statewide staffing ratios can be expected to exceed formula levels. The basic federal funding can be used to enrich the instructional/therapy staffing ratio from 1 : 11.4 to approximately 1 : 11. If the district has higher federal funding, such as a Preschool Incentive Grant, the ratio can be lower still.
- The survey staffing ratios exceed the formula levels mainly because the survey was conducted in an unrepresentative month. In October, the time of the survey, most school districts have hired all of the instructional/therapy staff for the year. The staffing ratio is at its richest early in the school year because the preschool enrollment is low. The average monthly enrollment (statewide) for 1983-84 was 23.4% higher than the October enrollment.

If it is assumed that the annual number of instructional/therapy staff was the same as reported in October and that the enrollment increased by 23.4%, the staffing ratio was 1 : 11.

*2 The ratios by Educational Service District were as follows:

	ESD 121	189	112	113	114	105	171	123	101
I/T	7.4	10.5	9.9	9.4	11.7	13.7	11.5	11.0	9.5
Aides	20.8	21.2	16.4	18.9	21.4	13.0	28.3	29.2	24.0

STATE TOTALS: 308.64 instructional/therapy staff for 2,742 students, or a ratio of 1 : 8.88. 134.33 aides for 2,742 students, or a ratio of 1 : 20.41.

Better data would have been obtained if the survey had been conducted during a more representative month, either January or February. The audit schedule made that impossible.

Preschool staffing ratios in eight selected school districts are shown in a later section of the report (Preschool Revenues and Expenditures).

There appear to be no nationally-recognized preschool handicapped staffing level standards which are based on hard data. Thus it remains a matter of opinion whether the funded staffing levels are adequate.

The following table compares the preschool staffing ratios funded by the state in 1978-79 and 1983-84:

TABLE 15

PRESCHOOL FUNDED STAFFING RATIOS, 1979 AND 1983

	<u>1978-79 Actual</u>	<u>1983-84 Budget Assumptions</u>
Teacher-Child Ratio	1 : 9.9	Included in I/T Staff
I/T-Child Ratio	1 : 8.6 (est.)	1 : 11.4
Aide-Child Ratio	1 : 55.6	1 : 22.8
Adult-Child Ratio (I/T & Aides)	1 : 7.5	1 : 7.6

Source: Calculated from SPI 1219F report, 1978-79.

The funded adult-child ratio now is almost the same as in 1978-79. The number of aides per child has been greatly increased, while the number of teachers or therapists per child is less. A previous section of the report showed that there are proportionately more "mild" children in preschool handicapped programs now than in 1978-79.

5. Preschool Revenues and Expenditures in Eight School Districts

Objective 3c: What are local district revenues and expenditures for preschool special education?

This study objective refers to estimated revenues and expenditures for preschool handicapped programs during 1983-84. Actual revenues and expenditures from previous years were not studied because the preschool part of the funding formula was altered in 1983. The question of interest is whether the revised formula generates adequate funding.

Preschool is not a separate budget item but rather part of special education. Study of preschool funding means that revenues and expenditures must be broken out at the local level. At the request of the LBC staff, eight school districts prepared "preschool budgets" (projected revenues and expenditures) for 1983-84. The exercise was first performed in November-December 1983 and then repeated on the basis of updated information in April 1984. The purpose was to determine whether state and federal revenues are adequate to support program expenditures.

The detailed expenditure statements used a common format prepared by the LBC staff. The eight districts estimated the cost of instructional/therapy staff, assessment staff, administrators, aides, other classified employees, contractors, materials, equipment, and other items. The major difficulty in some districts was estimating the staff time attributable to preschool, especially when the staff divided their time between preschoolers and school-age children. (Two of the eight districts already had a detailed preschool budget for program purposes. The others did not.) The expenditure estimates were studied and in some cases questioned by the LBC staff. However, they remain basically self-reports from local district special education programs.

The eight districts also estimated state and federal revenues generated by the preschool enrollment. These estimates were reworked by the LBC staff once the final enrollment figures and funding level became known.

All districts have federal handicapped revenue. Funding from Public Laws 94-142 and 89-313 is based on enrollment

during one month of the previous school year.*1 Four of the eight districts that were studied also have a federal Preschool Incentive Grant, which are awarded on a competitive basis. The grants range from \$5,000 to \$30,000. In seven of the eight districts the federal funding comprises 4% to 7% of total (non-local) preschool revenues for 1983-84. In the one district with a \$30,000 Preschool Incentive Grant and a small Developmental Disabilities grant, the federal funds make up 21% of preschool revenues.

The preliminary version of this report (January 1984) included projected revenues and expenditures from the same eight districts. The figures shown in this report are quite different in some cases. The differences are due to:

- More detailed reporting by some of the eight school districts in the April 1984 "preschool budgets."
- Use of the average preschool enrollment figure (October-May) to calculate state revenue. At mid-year the projected enrollment figure may be little more than guesswork.
- Use of the final state funding level of 94.65% to calculate revenue. The funding level changed three times during the school year. (96%, 92%, 94%, 94.65%).
- Changes in the staff mix factor during the school year.

Table 16 on the next page shows on a per student basis the estimated revenues and expenditures for preschool programs in the eight districts. Direct expenditures per pupil vary from a low of \$3,102 to a high of \$4,959. Revenues also vary considerably, mainly because some districts have a federal Preschool Incentive Grant. Total federal and state dollars exceed expenditures in four of the districts, by as much as \$593 per child. There is a deficit in the other four preschool programs, by as much as \$774 per child.

*1 For the 1983-84 school year each school district has P.L. 94-142 Part B funding of \$186 per child based on a headcount on December 1, 1982. Some districts have P.L. 89-313 funds of \$604 per eligible child as of October 1, 1982. The 89-313 funding applies to children who were previously enrolled in state institutions, including developmental centers.

PRESCHOOL HANDICAPPED
ESTIMATED EXPENDITURES AND REVENUES, 1983-84

Per Pupil

<u>District</u>	<u>Average Enrollment</u>	<u>Est. Direct Expenditures</u>	<u>State Revenue (1)</u>	<u>Federal Revenue (2)</u>	<u>Other Non-Levy Revenue</u>	<u>Total Revenue: State, Federal, & Other Districts</u>	<u>Balance</u>
Aberdeen	47	\$3,102	\$3,478	\$ 158	---	\$3,636	\$ 534
ESD 121	25 (+6)	3,595	3,906 (3,150) 3	237	\$ 649(P) 152(C)	4,188	593
ESD 112	96	4,174	3,737	176	564(C)	4,474	300
Highline	132	3,992	3,749	263	247(P)	4,259	267
Olympia	51	4,830	3,762	830	146(D)	4,738	(91)
Seattle	300	4,901	4,041	317	58(C) 427(K)	4,416	(485)
Edmonds	79	4,959	3,862	208	80(P) 35(C)	4,185	(774)
Yakima	62	Unknown (Y)	3,614	168	17(C)	3,799	(Unknown) (Y)

TABLE 16

Notes

(1) State revenue: ABCD handicapped funds at 94.65% funding level.

(2) Federal revenue includes P.L. 94-142 or 89-313 headcount funds and Preschool Incentive Grants.

(3) For ESD 121 the formula generates approx. \$3,906 per preschooler reported to the state (25). When state dollars are spread over all 31 students, the average is \$3,150.

(Y) Expenditure estimate by Yakima appeared inaccurate. Insufficient data.

(C) Carryover funds.

(P) Payments by other districts for students served on contract.

(D) Developmental Disabilities grant, Title VI-B.

(K) Basic education funds generated by reporting all handicapped five-year-olds as .5 FTE (Kindergarten). Chart does not include this amount in next two columns. If included, total revenue would be \$4,843 and balance would be (\$58).

The general meaning of Table 16 is that in half of the selected districts, state and federal revenues for preschool enrollment are more than adequate and will be used to "subsidize" school-age special education or the district's overhead costs. In the other districts the preschool program will be "carried" by the school-age part of special education or by other district revenues.

Indirect charges are not shown in Table 16 because no way was found to identify the incremental indirect costs of preschool handicapped programs. Special education programs in most districts are charged an indirect rate. In the eight districts shown in the table, the charges range from 0% (ESD 112) to 30% or more (Yakima and Highline). It is an open question whether the higher charges reflect the incremental indirect costs of special education or are merely a way of spreading a district's overhead costs.

Table 16 shows great variation in estimated direct expenditures. Aberdeen has the lowest estimated expenditures (\$3,102 per child). The district appears to have an efficient program. The annual instructional/therapy staffing ratio, as calculated from the "preschool budget," was 1 : 11.3 (formula = 1 : 11.4). The preschool aide ratio was 1 : 28.7, or somewhat weaker than the formula level of 1 : 22.8. The in-class staffing ratios are approximately half of these figures (twice as rich) because the staff does "double duty" by meeting one group of preschoolers in the morning and another in the afternoon.

Why are the estimated expenditures so much higher in the other districts? The simplest answer is that the other districts all have more state and federal revenue, as shown in Table 16. Other possible reasons are discussed below.

a. Severity

The common explanation for variation in expenditures is that costs will be higher in districts with more severely handicapped children. However, the evidence appears to indicate that such assertion have no clear basis in fact.

To measure the "severity" of the preschool population in the selected districts, the LBC staff calculated a "severity factor." This factor is the number of instructional/therapy units that would be generated by the ABCD formula if preschoolers were categorized for reimbursement according to the primary handicapping condition reported to the LBC staff in October 1983. The higher the number, the "more severe" is the preschool population as a whole served in that district.

TABLE 17

PRESCHOOL SEVERITY FACTORS

NO RELATIONSHIP TO ESTIMATED EXPENDITURES

<u>District</u>	<u>Severity Factor</u>	<u>Estimated Direct Expenditures per Pupil</u>
Aberdeen	10.56	\$ 3,102
Olympia	9.73	4,830
ESD 112	9.64	4,174
Highline	8.98	3,992
ESD 121	8.88	3,595
Seattle	8.82	4,901
Yakima	8.73	Unknown
Edmonds	8.37	4,959

Note: The "severity factor" was computed as follows: Calculate instructional/therapy units for preschoolers according to their handicapping condition reported on the October 1983 survey. Divide total number of instructional/therapy units by the headcount. Multiply by 100 to convert to a whole number. The higher the number, the more "severe" is the preschool population in that district. This method assumes that (1) the ABCD formula does fairly distinguish severity levels between handicapping conditions, and that (2) the survey information provided by the districts is correct.

As shown in the above table, there is no positive relationship between severity factors and estimated program expenditures per pupil. Aberdeen has the highest severity factor but the lowest estimated expenditures. Edmonds has the lowest severity factor, but it has the highest estimated expenditures.

b. Staffing Ratios

The 1983-84 staffing ratios for the eight districts, as calculated from the material submitted in April 1984, are shown in Table 18 on the next page. These ratios are probably not representative of the state. The eight districts were chosen for analysis because they stood out in the preschool field, not because they appeared ordinary.

TABLE 18

ESTIMATED PRESCHOOL STAFFING RATIOS, 1983-84

IN SELECTED SCHOOL DISTRICTS

	<u>No. of Children (Headcount) per 1 FTE Inst/Therapy Staff. Formula funds 1 : 11.4.</u>	<u>No. of Children per 1 FTE Inst. Aide.* Formula funds 1: 22.8.</u>
Aberdeen	11.3	28.7
ESD 121	8.4	--
ESD 112	24.6	13.2
Highline	9.7	16.2
Olympia	10.6	17.6
Seattle	Unknown**	Unknown**
Yakima	Unknown***	Unknown***
Edmonds	8.9	24.3

* Includes bus aides in some districts.

** Seattle ratios cannot be calculated from available materials. Approximately 100 preschoolers are served by contractors, for whom staff FTE data are not available.

*** Inadequate data.

None of the eight districts seems to follow the formula closely in making staffing arrangements. In no case are both the instructional/therapy staffing ratio and the aide ratio close to the formula levels (1:11.4 and 1:22.8).

Two of the eight districts, Aberdeen and ESD 112, operated their preschool program only with state handicapped revenue and the basic federal funding. The funding is adequate in those districts to cover all expenditures. Funding is also adequate to cover estimated preschool expenditures in ESD 121, even though the instructional/therapy staffing ratio exceeds the formula level. Revenues are adequate in Highline to cover direct expenditures (though not indirect costs, according to the district), even though both the instructional/therapy ratio and the aide ratio exceed formula levels.

These data suggest that the staffing ratios alone do not explain the different expenditure levels in the various districts.

c. Differences in Labor Costs

The expenditure estimates shown above in Table 16 are based on actual salaries and benefits, which vary considerably between districts. The figures are more comparable when recalculated using a common salary and benefit level. This approach shows what the expenditure differences would be if all programs paid the same salaries and benefits to equivalent staff.

For example, the materials submitted by the Aberdeen and Edmonds school districts in April 1984 used the actual salaries/benefits and showed a difference of \$1,857 per child in estimated direct expenditures. (Aberdeen, \$3,102; Edmonds, \$4,959). Each estimate appears thorough and as accurate as possible. To isolate the differences due to labor costs, the LBC staff recalculated the figures using the staff FTE values assigned by each district but a common level of salaries/benefits for each kind of staff (teachers, therapists, psychologists, administrators, aides, and others). The difference between the two programs in the cost of labor worked out to \$495 per preschooler. Other differences are shown below.

TABLE 19

ABERDEEN AND EDMONDS

DIFFERENCES IN ESTIMATED PRESCHOOL EXPENDITURES

WHEN CONTROLLING FOR COST OF LABOR

	<u>\$ Difference per Child</u>	
Cert. Staffing Ratio (I/T & Psychs.)	\$	446
Cert. Administrative Staff		529
Classified Staffing Ratio (Inst. Aides)		282
Other Classified (Clerical & Fiscal)		96
Travel, Supplies, Materials, Equipment		9
Total	\$1,362	Difference with same salaries
plus	495	Salary variables
Total	\$1,857	Actual difference

As shown in the chart, the large difference in expenditure levels is a combination of different staffing ratios, administrative costs, and salary variables.

d. Seattle: Program Planning on an Expenditure Basis

Some districts do not attempt to plan preschool programs within the limits of state and federal revenues. For example, a fiscal officer in Seattle explained that the district does not plan or budget for its preschool program on the basis of a "revenue-expenditure match." The district plans a level of preschool service and expenditure to accommodate local constituencies, without regard to the amount of anticipated state and federal funding. Revenue projections are not a major part of program planning.

Factors contributing to this approach are: (1) Little information available during the planning process about future state funding, mainly because the funding is based on current-year enrollments; and (2) Presence of preschool advocacy groups and other "urban factors."

As shown above in Tables 16 and 17, Seattle has a relatively low preschool "severity factor" but higher expenditures per child than most districts.

e. Lack of Program Information and Program Standards

Another problem in interpreting Table 16 (estimated expenditures) is the lack of program information. Without program information, it is difficult to know what the state is buying for the amounts shown in the table.

The state does not collect systematic information or have specific program standards on the kind of preschool service or placement (self-contained class, resource room, or therapy only), amount of preschool class time, staff utilization, and other program practices that affect costs. For example, it would be helpful to know if the staff in half-day preschool programs are responsible for one or two groups of children. After teaching a morning class, a full-time teacher might:

- (1) Meet an afternoon class, or
- (2) Do home visits and other work connected with the morning group.

A program using the first approach can have the same in-classroom staffing ratio as in the second approach, but the costs will be much less.

f. Preschool Placements: Least Restrictive Environment?

It appears that the great majority of preschool handicapped children in Washington are placed in self-contained classrooms. The question at issue is whether such placements satisfy the "least restrictive environment" provisions of federal and state regulations. The issue is discussed here in the context of program costs because studies have shown that placements in the least restrictive environment are generally the most economical and efficient use of resources.

"Least restrictive environment" means that handicapped children must be educated in integrated settings with non-handicapped children "to the maximum extent appropriate." Congress adopted this national policy in 1975 when it declared that states, in order to qualify for federal handicapped funds, must adopt

"Procedures to assure that, to the maximum extent appropriate, handicapped children . . . are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when the nature or severity of the handicap is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily." (Section 612, Public Law 94-142, 20 U.S. Code 1412).

State regulations for special education include this requirement in almost the same language (WAC 392-171-471).

Many professionals hold that the most appropriate placement for a mildly-handicapped five-year-old child is in a regular kindergarten class, with special education provided either in a resource room or in the regular class through special education support to the regular kindergarten teacher. Moreover, there is a growing proportion of mildly-handicapped children enrolled in preschool programs, especially five-year-olds. Nevertheless, it appears that few of these children are enrolled in a regular kindergarten class. Table 20 on the next page shows the situation as of April 1984 in the eight school districts that were studied.

TABLE 20

"MAINSTREAMING"PRESCHOOL DEVELOPMENTALLY HANDICAPPED CHILDRENENROLLED IN REGULAR KINDERGARTEN, APRIL 1984

	<u>No. of Preschool Handicapped, Age 5</u>	<u>No. Enrolled in Regular Kindergarten</u>	<u>Percent</u>
Seattle	122	7	6%
Highline	115	0*	0
ESD 112	58	30	52
Edmonds	40	0	0
Yakima	30	5	17
Aberdeen	21	1	5
Olympia	15	6	40
ESD 121	<u>5</u>	<u>2</u>	<u>40</u>
Total	416	51	12½**

* Highline reports that 12 of its 115 handicapped five-year-olds are "mainstreamed" half an hour to one hour a day but not enrolled in a regular kindergarten.

** If only the six-center-based programs are considered (i.e., exclude home-based ESD 112 and 121), the percentage is 5%.

A national commission on the financing and operation of Public Law 94-142 has recently criticized the remoteness and separation of special education from regular education. In its 1983 report the commission recommends that more individualized education programs be written to include placements in regular education.*¹ This recommendation appears appropriate for mildly handicapped children of kindergarten age.

*¹ The report from the Commission on the Financing of a Free and Appropriate Education for Special Needs Children, U.S. Congress, House of Representatives, Committee on Education and Labor, Subcommittee on Select Education, March 1983. This Commission was made up of 20 special education professionals from the federal government, state agencies, and professional organizations.

Some local special education directors claim that state regulations on special education discourage placement of handicapped children in regular classes. The obstacle is said to be SPI monitors' interpretation of WAC 392-171-315 whereby the teacher of a handicapped student must hold a special education certificate. This interpretation is said to discourage mainstreaming, create more self-contained special education classes, and drive up costs.

For the younger preschool handicapped children, no regular education option is available prior to kindergarten. Thus, apart from the children receiving therapy only or home-based services, most placements for this age group are in self-contained special education classrooms. The major exception is placement with a Head Start program, which serves low-income children. School districts placed 350 to 400 preschool handicapped children with Head Start in 1983-84.

Massachusetts, a leader in the field of special education, has developed a way of placing preschool handicapped children in integrated settings and achieving substantial economies. Many handicapped three and four-year-olds are placed in private, licensed preschools which also serve non-handicapped children. This placement option is described in the Massachusetts regulations as follows:

"Integrated center-based programs, designed to serve the general population of children age three and four but including up to fifty percent children with substantial disabilities."

About 30% of handicapped preschoolers in Massachusetts are placed in these integrated settings. Other preschool placement options include home-based service (10%) and school district-operated self-contained programs (60%). The latter option is usually reserved for children with moderate and severe handicaps. The "mild" children are served in the integrated settings. The main program advantage to the integrated approach is that the other children serve as models for the handicapped children and encourage normal development.

Washington has many private preschools for the general population. It appears that few school districts, if any, are placing preschool handicapped children in these integrated settings. Some school districts do make referrals to private preschools for children who do not qualify as developmentally handicapped.

IV. CONCLUSIONS

Examination of preschool handicapped funding has involved analysis of the ABCD funding formula and related program issues. The program issues necessarily affect judgments about the adequacy of preschool funding and are therefore discussed first.

A. Eligibility and Assessment Standards

The report analyzes the developmental delay eligibility standard introduced in 1980 and found a number of problems:

- A large increase in the number of "mild" children served since 1980, including those who were previously considered communication-disordered-only.
- Extreme variation between school districts in the number of "minimum mild" or "very mild" children being served in October 1983. The variation is probably explained by the lack of rigor and clarity in the eligibility standard and in different assessment practices.
- Inadequate data to show that a 25% delay in any two of the eight developmental areas clearly indicates or predicts a handicapping condition.
- Use of an excessive number of assessment instruments to measure developmental delays and thereby qualify for service children who may not be handicapped.

In response to legislation passed in 1984, the Superintendent of Public Instruction has revised the eligibility criteria and assessment standards. (See Appendix 4). Recommendations 4 and 5 in the January 1984 version of this report addressed those matters and are left to stand. The recommendations have been implemented by adoption of the new state rules.

The new rules include a "dual" eligibility standard as proposed in recommendation 3 -- that is, categorical eligibility for certain handicapping conditions and a revised developmental delay standard for the others. However, recommendation 3 is altered in this report to delete a reference to categorical reimbursement. That part of the recommendation was not supported by sufficient evidence.

B. Need for Program Data and Standards

A major difficulty in analyzing preschool handicapped funding is the unavailability of systematic program information at the state level. Different school districts spend various amounts of money on preschool programs. Without program information and program standards, however, it remains unknown whether the services are comparable and adequate. For example:

- What kind of service is being given for the money?
- Is the serving agency the school district itself or a contractor?
- How long are preschool classes in various districts?
- What educational "model" is used?
- How many children are served in self-contained classes, in resource rooms, at home, or at a "therapy center"?

Such program data are necessary to support budget requests and make the program accountable to the Legislature. Therefore, it seems advisable that SPI should require program reports by the school districts. (At the request of SPI, recommendation 6 is altered as the frequency of the reports -- from "at least twice a year" to "on a regular basis.")

The state education agency should also adopt preschool handicapped program guidelines specifying minimum classroom or contact time, levels of service, and appropriate program practices. These guidelines will help to shape preschool programs and complement the rules on preschool eligibility and assessment. (At the request of SPI, recommendation 7 is changed so that the program standards will be guidelines, not state rules.)

C. Preschool Placements

The report documents that in the center-based programs that were studied, very few of the five-year-old handicapped children are enrolled in regular kindergarten. Although many of the children are mildly handicapped, they are served in self-contained special education classes. Such practices tend to disregard federal and state regulations about placements in the "least restrictive environment." They also ignore a recent national recommendation that more children with special needs be placed in regular education programs, with special education support to the regular teacher. Special education should function more as an

ancillary service to basic education and less as a separate department. The "mild" children should be "mainstreamed" at the earliest possible age. This is crucial to the premise that early intervention is effective and cost-efficient.

The LBC staff recognizes that SPI does monitor special education programs at least once every three years and that the monitors do frequently take exception to overly restrictive placement practices. However, it is not clear that the monitors devote sufficient attention to this question at the kindergarten level. The existing state rules on least restrictive environment are probably sufficient. But they should be enforced more effectively. The wording of recommendation 8 is clarified to reflect this view.

It is more difficult to integrate the three and four year olds with non-handicapped children because school districts have no regular education option prior to kindergarten. However, it may well be possible and desirable to place more young children with special needs in private preschools for the general population. Professionals recognize that the other children serve as role models and contribute to preschool handicapped program effectiveness. Such placements, which are now made in Massachusetts, would reduce school district duplication of private preschool programs and probably decrease public expenditures by a significant amount. The Superintendent of Public Instruction should study the matter and report in writing at a later date.

D. Enrollment Reports

Action should be taken to correct inaccurate enrollment reports. Spokane, which mistakenly over-reported 21 preschool students one month, has revised its report for the month in question. Tacoma and Seattle should also correct their reports.

In Tacoma the source documents did not confirm the reported enrollment for the three months that were examined. The Superintendent of Public Instruction should require the district to submit new reports which accurately state the preschool enrollment. State payments should be adjusted accordingly. The amount in question is approximately \$7,600. (See appendix 3, Fiscal Impact).

Seattle's basic education reports ignore SPI reporting standards (as stated in the 1983-84 enrollment bulletin) by including all five-year-old handicapped children, even though only a few were enrolled in basic education. The

Superintendent of Public Instruction should require the district to comply with the reporting standards and revise the basic education enrollment reports. State payments should be adjusted accordingly. Approximately \$120,000 is involved, as estimated in appendix 3 (Fiscal Impact).

Measures should be taken to prevent similar reporting errors from occurring, in other handicap categories and in other districts. Enrollment audits are essential in an enrollment-based funding system. Recommendation 10 is altered to call for the State Auditor to test the accuracy of handicapped enrollment reports in selected school districts. It is to be hoped that the State Auditor can complete some audits by January 1985, so that the matter can be considered by the Legislature if necessary.

The Superintendent of Public Instruction should also make provisions for reviewing handicapped enrollment reports. The annual enrollment bulletin ends with a warning: "NOTE: ALL ENROLLMENT DATA ARE SUBJECT TO AUDIT!" Yet SPI audits or monitoring of handicapped enrollment rarely occur. This problem can be addressed by adding a fiscal monitor to the program monitoring teams that now visit school district special education programs on a three-year cycle. The fiscal monitor could focus on enrollment reports and other matters affecting state payments.

E. Adequacy of Preschool Funding

The major question addressed in this report is whether the recent changes in the funding formula -- that is, the alteration of the staffing factors and the so-called "severity ratios" -- have resulted in an adequate amount of state funding for preschool handicapped programs. In the opinion of the LBC staff, the available evidence indicates that the funds allocated in 1983-84 can support a reasonable level of service. This view is based on (1) the growing number of "mild" handicapping conditions in the preschool population, and (2) the analysis of preschool revenues and expenditures in the eight school districts that were studied closely.

The LBC staff found that state and federal revenues were sufficient to support direct preschool expenditures in four districts and not sufficient in four others. In a funding system based on "averages," such a result may be expected.

Under the allocation system school districts are free to devote to preschool more or less than the amount generated by the preschool enrollment. Yet it is surprising that

the preschool expenditure levels in the eight districts differ so much. Local control may be the only explanation that is necessary. Other conclusions are as follows:

-- Preschool program expenditures, when considered on a district basis, do not appear to be closely related to the severity of the handicapping conditions.

-- A local program's instructional/therapy staffing ratio and the aide staffing ratio may give a misleading picture of program expenditure levels and the adequacy of state funding. It is necessary to consider non-instructional staff and calculate a certificated staffing ratio and a classified staffing ratio. Federal and local funding must also be considered.

-- The instructional staffing ratios that can be calculated from budget materials may indicate little about actual ratios in the classroom. More information is needed about how the staff are utilized in the various programs.

-- Some mildly handicapped five-year-old children may be "over programmed." Excessive use of self-contained classrooms for these children may be increasing costs in some districts.

-- Program planning in some districts ignores fiscal constraints. Planning on "an expenditure basis" rather than budgeting within the level of state and federal revenues will inevitably lead to perceptions that state and federal funds are "inadequate."

-- Apart from the ratios funded by the formula and the requirement that services must be specified in an individual education plan (IEP), the state has no standards as to what constitutes adequate staffing ratios or adequate levels of service.

F. The ABCD Formula

The formula is unnecessarily complex and should be simplified. The ABCD "severity ratios" do not mean anything specific. They were designed in 1979-80 to take account of different levels of resource need within each handicapping category and generate staff units on a district-specific and child-specific basis. However, once the ABCD percentages in the matrix were frozen in 1980 and applied to all districts, the original purpose was lost. The formula generates a fixed number of staff units per student in each handicapping category. In terms of funding levels, there

is no such thing as an A, B, C, or D student. The ABCD ratios are a complex vestige of the original intent of the allocation model, which was never implemented. The ratios have no function now that cannot be performed better by a simpler formula.

The complexity may deter some school districts from understanding how much money is generated by the enrollment in each handicapping category and budgeting that amount. The funded staffing ratios, such as one instructor/therapist for every 11.4 preschool children, must be calculated by a person familiar with the ABCD intricacies. The funded staffing ratios are not visible in the formula. All that can be seen are the ABCD ratios, which without extensive computation mean nothing for program or budget purposes. This obscurity and complexity of the formula may well contribute in some districts to poor planning and special education expenditures that exceed allocated funds.

The following table shows the total number of handicapped staff units generated by handicapped enrollment. It would be more useful at the local level than the ABCD matrix.

TABLE 21
HANDICAPPED STAFF UNITS PER STUDENT

<u>Category</u>	<u>Cert. Units</u>	<u>Classified Units</u>
Preschool	.0997	.0471
Behaviorally Disabled	.0991	.0346
Orthopedically Impaired	.1342	.0490
Health Impaired	.0985	.0344
Learning Disabled	.0561	.0182
Mentally Retarded/Mild	.0884	.0305
Mentally Retarded/Mod	.1459	.0524
Mentally Retarded/Sev	.1878	.0683
Multihandicapped	.1983	.0723
Deaf	.1674	.0606
Hearing Impaired	.1480	.0532
Visually Handicapped	.1164	.0411
Deaf-Blind	.2078	.0759
Communication Disordered	.0229	.0007

For program purposes these numbers can easily be converted to a staffing ratio (1 / units = ratio).

Simplification of the formula does not mean that districts should be required to allocate staff resources on a categorical basis. But the formula should be presented in a clear format so that program managers can stay close to formula levels if they wish to do so.

The other function of the ABCD ratios is to generate basic education funding for handicapped students, based on assumptions about how much time the "average" handicapped child in each category spends in basic education. The FTE values by handicapping category are shown above on page 21. Like the funded staffing ratios, the FTE values are also not visible in the formula. This "split" of funds between special education and basic education is probably the least understood aspect of the "full cost allocation model." Some special education directors and district fiscal officers, in discussing the matter with the LBC staff, maintained that the basic education funds are included in the handicapped allocation, that is, shown on the 1220 report. This is not the case. Many others said that they did not know how the basic education money generated by handicapped enrollment comes into the district, or how much money was available. These views, a product of the complexity of the formula, may discourage "mainstreaming" of handicapped students.

The Superintendent of Public Instruction should therefore simplify and clarify the funding formula. The complexity may well do harm. No one has demonstrated that the complexity is necessary or beneficial.

The LBC staff previously proposed that handicapped funds should be allocated on the basis of the previous year's enrollment. Since funding is now driven by the current year enrollment, districts do not know their average enrollment and amount of state reimbursement until well into the school year, long after the certificated staff have been hired. In a "forward-funded" or "lagged enrollment" model, districts would know the amount of funding prior to the start of the school year, thereby facilitating better planning and budget control. However, the recommendation is withdrawn in this report. The major obstacle is the formula linkage of handicapped enrollment to basic education enrollment. Since basic education funding is based on current year enrollment, it is necessary to do the same for handicapped programs.

APPENDIX 1

RECOMMENDATIONS

Note: Changes from the January 1984 report are shown by underlined and crossed out material.

RECOMMENDATION 1 Funding Formula

Due Date

The Superintendent of Public Instruction should ~~((develop and present to the Legislature a new))~~ simplify and clarify the present funding model for special education, including preschool programs.

Sept. 1985

RECOMMENDATION 2 Forward-Funding

~~((To encourage program planning and budget control, the new funding system for special education should be a "forward funded model," based on enrollments during a three-month period of the previous school year, with threshold factors to accommodate significant changes in enrollment.))~~

RECOMMENDATION 3 Categorical Eligibility

a. Categorical eligibility standards ~~((and reimbursement))~~ should be allowed for preschool handicapped children if their specific handicapping condition can be properly established and documented.

Implemented by 1984 change in state rules. See below, Appendix 4.

b. Developmental delay eligibility standards should be retained for other preschool handicapped children but revised in accord with Recommendation 5.

RECOMMENDATION 4 Assessment Instruments

The Superintendent of Public Instruction should develop and enforce more uniform assessment requirements for preschool handicapped programs, including adoption of state rules setting standards on the selection and use of testing devices that will result in authorized use of a limited number of assessment instruments to establish program eligibility.

Implemented by 1984 change in state rules. See below, Appendix 4.

RECOMMENDATION 5 Developmental Delays

The Superintendent of Public Instruction should revise, clarify and improve the definition of significant developmental delay contained in the preschool handicapped definition and eligibility criteria, WAC 392-171-381.

Due Date

Implemented by 1984 change in state rules. See below, Appendix 4.

RECOMMENDATION 6 Program Data

Program data should be reported (~~at least twice a year~~) on a regular basis to the state education agency by school districts which operate or contract for preschool handicapped programs. Data reports should include child counts by serving agency, placement level, program option, type of service, class time or therapy time, and other necessary service information. Some of this service data might be arranged under headings which describe the level of service.

Sept. 1984

RECOMMENDATION 7 Program Standards

The Superintendent of Public Instruction should adopt state (~~rules~~) guidelines setting preschool handicapped program standards, including appropriate placements, levels of service, class or therapy time, and appropriate program practices.

Sept. 1984

RECOMMENDATION 8 Mainstreaming

The Superintendent of Public Instruction should:

Sept. 1984

- a. (~~Adopt or~~) Enforce more effectively state rules that encourage and facilitate mainstreaming of handicapped kindergarten children.
- b. Provide technical assistance to school districts so that individualized education programs for handicapped kindergarten children call for placement in a regular kindergarten class to the maximum extent appropriate.
- c. Monitor preschool programs more effectively to insure that handicapped kindergarten children are educated in the least restrictive environment.

RECOMMENDATION 9

Private Preschools

Due Date

The (~~Legislative Budget Committee, in cooperation with the~~) Superintendent of Public Instruction (~~7~~) should investigate the feasibility of integrating preschool handicapped children with non-handicapped children in private preschools and providing special education in these settings.

Sept. (~~1984~~)
1985

RECOMMENDATION 10

Audit of Enrollments

a. The (~~Legislative Budget Committee, in cooperation with the Superintendent of Public Instruction,~~) State Auditor should examine special education enrollment reports in selected school districts. The examination should test the accuracy of the P-223H reports, including preschool and other handicap categories.

Jan. 1985

b. The Superintendent of Public Instruction should monitor handicapped enrollment reports by adding a fiscal monitor to the special education program monitoring teams.

Jan. 1985

c. The Superintendent of Public Instruction should require the Tacoma School District to comply with SPI reporting standards and submit revised P-223H (handicapped) enrollment reports for October 1983, April 1983, and December 1982 which accurately state the Developmentally Handicapped enrollment. State payments should be adjusted accordingly.

August 1984

d. The Superintendent of Public Instruction should require the Seattle School District to comply with SPI reporting standards and submit revised P-223 (basic education) enrollment reports for the 1983-84 school year which exclude handicapped kindergarten children unless they are enrolled in a regular kindergarten. State payments should be adjusted accordingly.

August 1984

APPENDIX 2

PROPOSED LEGISLATION

None.

APPENDIX 3

FISCAL IMPACT

Recommendations 3, 4, and 5 propose changes in preschool eligibility and assessment standards. The recommendations have been implemented by the state rules shown in appendix 4. A reduction in preschool enrollment of 5% to 10% might be expected in some districts. However, the statewide fiscal impact is unknown. All existing data refer to the current preschool population. Under the new rules the current preschool students are "grandfathered," that is, they will remain eligible under the old rules.

Recommendation 8 (mainstreaming) may increase state expenditures for basic education. If school districts place a larger number of handicapped five-year-old children in regular kindergarten programs, as proposed in the recommendation, the placements will generate basic education funding (.5 FTE). The districts would also receive preschool handicapped funding.

The last recommendation in the report concerns enrollment reports. Examination by the State Auditor of handicapped enrollment (recommendation 10a) will increase local district audit charges. These costs must be seen in relation to the potential reduction in state handicapped allocations through correction of enrollment reports.

Recommendation 10b proposes that SPI monitor handicapped enrollment reports by adding one fiscal monitor to the program monitoring teams. This could involve additional state funding for staff, unless existing resources are adequate. Again, the cost should be seen in relation to potential reductions in state handicapped allocations through correction of enrollment reports.

If the Tacoma handicapped enrollment reports are corrected for the three months in question (recommendation 10c), it appears that the adjustments in state payments would amount to approximately \$7,627. Both the 1982-83 and 1983-84 average monthly preschool enrollment would be reduced by one student. The LBC staff estimates that state funding for a Tacoma preschool child was approximately \$3,925 in 1982-83 and \$3,702 in 1983-84, or a total of \$7,627.

If the Seattle basic education enrollment reports are corrected, as in recommendation 10d, the 1983-84 state payments to the district will be reduced by approximately \$120,000. This estimate is based on:

- 1) State payments of \$1,165.18 per kindergarten child in Seattle. ($\$2,330.36 \text{ times } .5 \text{ FTE} = \$1,165.18$).
- (2) 1983-84 average enrollment of 110 handicapped five-year-olds who were all included as 55 FTE on the basic education enrollment reports, even though only a few handicapped children were enrolled in a regular kindergarten program.
- (3) Seven handicapped children (3.5 FTE) actually enrolled in a regular kindergarten program as of April 2, 1984. Unknown at the present time is the 1983-84 average enrollment. The following calculation assumes that the average must be close to seven children (3.5 FTE).

\$2,330.36 times 55 FTE pupils reported	\$128,169.98
Less \$2,330.36 times 3.5 FTE pupils enrolled	8,156.26
	\$120,013.72

The other recommendations in the report do not appear to have a direct fiscal impact.

APPENDIX 4

1984 PRESCHOOL LEGISLATION

AND CHANGES IN STATE RULES

The following pages include: (1) the "preschool mandate bill" passed in 1984, Engrossed Substitute House Bill Number 1311, Chapter 160, Laws of 1984, and (2) the rules on preschool eligibility and assessment adopted by the Superintendent of Public Instruction in response to section 2 of the legislation.

The new preschool definitions and eligibility criteria are contained in WAC 392-171-381, 382, and 383. The developmental areas have been redefined and consolidated. Developmental-age scores will not be used for the children age 3 to 6, as the old 25% delay standard has been replaced by measures of standard deviation. The assessment instruments must be standardized norm referenced tests, with a test-retest or split-half reliability level of .80 or greater. Twenty such tests have been identified as of August 1984.

The so-called "at risk" clause has been eliminated from the preschool eligibility criteria. However, the new rules on assessment, which apply to all of special education, allow the assessment team to determine eligibility in certain cases on the basis of professional judgment, not test results. See WAC 392-171-351 (4) and 392-171-366 (1) (e).

The new preschool standards drop the requirement that the children must be assessed every year. Assessments must occur once every three years, as for other special education students. This change should reduce local program costs.

Current preschool children are "grandfathered" under WAC 392-171-331. They remain eligible for service under the rules that were in effect when they entered a preschool handicapped program.

IN THE LEGISLATURE
of the
STATE OF WASHINGTON



CERTIFICATION OF ENROLLED ENACTMENT

SUBSTITUTE HOUSE BILL NO. 1311

CHAPTER NO. 160

Laws of 1984

Passed the House February 6, 1984
as amended

Yeas 90 Nays 7

Passed the Senate February 26, 1984
as amended

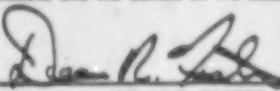
Yeas 16 Nays 2

2-29-84: The House
concurred in the
Senate amendments
and passed the bill
as amended by the
Senate.

Yeas: 91 Nays: 3

CERTIFICATION

I, Dean R. Foster, Chief Clerk of the House of
Representatives of the State of Washington, do hereby
certify that the attached is enrolled Substitute House Bill
No. 1311 as passed by the House of
Representatives and the Senate on the dates herein set
forth.


DEAN R. FOSTER, Chief Clerk

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1311

State of Washington 48th Legislature 1984 Regular Session

by Committee on Education (originally sponsored by Representatives
Galloway, Sayan, Charnley, Holland, Tilly, Miller, D. Nelson and
Halsan)

Read first time February 3, 1984.

1 AN ACT Relating to providing special education and training
2 programs to preschool age children; amending section 28A.13.010,
3 chapter 223, Laws of 1969 ex. sess. as last amended by section 2,
4 chapter 66, Laws of 1971 ex. sess. and RCW 28A.13.010; amending
5 section 2, chapter 317, Laws of 1979 ex. sess. and RCW 28A.58.772;
6 amending section 72.40.040, chapter 28, Laws of 1957 as last amended
7 by section 66, chapter 80, Laws of 1977 ex. sess. and RCW 72.40.040;
8 creating a new section; and making an appropriation.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 Sec. 1. Section 28A.13.010, chapter 223, Laws of 1969 ex. sess.
11 as last amended by section 2, chapter 66, Laws of 1971 ex. sess. and
12 RCW 28A.13.010 are each amended to read as follows:

13 There is established in the office of the superintendent of
14 public instruction a division of special education for handicapped
15 children, to be known as the division for handicapped children.

16 Handicapped children are those children in school or out of
17 school who are temporarily or permanently retarded in normal
18 educational processes by reason of physical or mental handicap, or by
19 reason of emotional maladjustment, or by reason of other handicap,
20 and those children who have specific learning and language
21 disabilities resulting from perceptual-motor handicaps, including
22 problems in visual and auditory perception and integration.

23 The superintendent of public instruction shall require each
24 school district in the state to insure an appropriate educational
25 opportunity for all handicapped children ((of common-school-age))
26 between the ages of five and twenty-one, but when the twenty-first
27 birthday occurs during the school year, the educational program may
28 be continued until the end of that school year. Special education
29 and training programs provided by the state and school districts for

Sec. 1

1 handicapped children shall be extended to include preschool age
2 children four years of age and older commencing with the 1984-85
3 school year and shall be extended to include preschool age children
4 three years of age and older commencing with the 1985-86 school year.
5 The superintendent of public instruction, by rule and regulation,
6 shall establish for the purpose of excess cost funding, as provided
7 in this chapter, RCW 28A.24.100 and 28A.41.053, functional
8 definitions of the various types of handicapping conditions and
9 eligibility criteria for handicapped programs. For the purposes of
10 this chapter, an appropriate education is defined as an education
11 directed to the unique needs, abilities, and limitations of the
12 handicapped children. School districts are strongly encouraged to
13 provide parental training in the care and education of the children
14 and to involve parents in the classroom.

15 Nothing in this section shall prohibit the establishment or
16 continuation of existing cooperative programs between school
17 districts or contracts with other agencies approved by the
18 superintendent of public instruction, which can meet the obligations
19 of school districts to provide education for handicapped children, or
20 prohibit the continuation of needed related services to school
21 districts by the department of social and health services.

22 This section shall not be construed as in any way limiting the
23 powers of local school districts set forth in RCW 28A.13.050.

24 No child shall be removed from the jurisdiction of juvenile court
25 for training or education under this chapter without the approval of
26 the superior court of the county.

27 NEW SECTION. Sec., 2. Prior to the start of the 1984-85 school
28 year, the superintendent of public instruction shall adopt rules
29 setting standards on the selection and use of a limited number of
30 assessment instruments to establish eligibility for preschool
31 handicapped programs. Prior to the start of the 1984-85 school year,
32 the superintendent of public instruction shall adopt rules revising
33 the eligibility criteria for preschool handicapped programs. The
34 legislature intends that the new rules shall address the following
35 legislative concerns:

36 (1) The rules setting assessment standards shall result in use

EX-1311

1 of a limited number of appropriate assessment instruments to produce
2 consistent, equitable, and reliable eligibility decisions.

3 (2) Delays of twenty-five percent or less from chronological age
4 in any two of the developmental areas under WAC 392-171-381 do not
5 constitute an actual handicapping condition requiring early
6 intervention by special education programs. Greater attention shall
7 be directed to defining the scope of the developmental areas and to
8 establishing the extent of a significant delay.

9 (3) Articulation problems and mild language delays unaccompanied
10 by significant delays in other developmental areas shall be treated
11 as communication disorders under WAC 392-171-391 and not as
12 developmental handicaps under WAC 392-171-381.

13 (4) Subjective exceptional provisions of WAC 392-171-381 shall
14 be modified or eliminated, including the provision for placement in
15 preschool handicapped programs of children who do not manifest
16 significant developmental delays but who are judged by the assessment
17 team to have a high predictability of future developmental delays.

18 The superintendent of public instruction shall report in writing
19 to the legislature by December 14, 1984, on the implementation of
20 this section.

21 Sec. 3. Section 2, chapter 217, Laws of 1979 ex. sess. and RCW
22 28A.58.772 are each amended to read as follows:

23 Each school district within which there is located a residential
24 school shall, singly or in concert with another school district
25 pursuant to RCW 28A.58.075 and 28A.58.245 or pursuant to chapter
26 39.34 RCW, each as now or hereafter amended, conduct a program of
27 education, including related student activities, for residents of the
28 residential school. Except as otherwise provided for by contract
29 pursuant to RCW 28A.58.776, as now or hereafter amended, the duties
30 and authority of a school district and its employees to conduct such
31 a program shall be limited to the following:

32 (1) The employment, supervision and control of administrators,
33 teachers, specialized personnel and other persons, deemed necessary
34 by the school district for the conduct of the program of education;

35 (2) The purchase, lease or rental and provision of textbooks,
36 maps, audio-visual equipment, paper, writing instruments, physical

Sec. 3

1 education equipment and other instructional equipment, materials and
2 supplies, deemed necessary by the school district for the conduct of
3 the program of education;

4 (2) The development and implementation, in consultation with the
5 superintendent or chief administrator of the residential school or
6 his or her designee, of the curriculum;

7 (4) The conduct of a program of education, including related
8 student activities, for residents who are five and less than twenty-
9 one years of age until the 1984-85 school year and, commencing with
10 the 1984-85 school year, for residents who are four years of age and
11 less than twenty-one years of age and, commencing with the 1985-86
12 school year, for residents who are three years of age and less than
13 twenty-one years of age, and have not met high school graduation
14 requirements as now or hereafter established by the state board of
15 education and the school district which includes:

16 (a) Not less than one hundred and eighty school days each school
17 year;

18 (b) Special education pursuant to chapter 28A.13 RCW, as now or
19 hereafter amended, and vocational education, as necessary to address
20 the unique needs and limitations of residents; and

21 (c) Such courses of instruction and school related student
22 activities as are provided by the school district for nonresidential
23 school students to the extent it is practical and judged appropriate
24 for the residents by the school district after consultation with the
25 superintendent or chief administrator of the residential school;
26 PROVIDED, That a preschool special education program may be provided
27 for handicapped residential school students;

28 (5) The control of students while participating in a program of
29 education conducted pursuant to this section and the discipline,
30 suspension or expulsion of students for violation of reasonable rules
31 of conduct adopted by the school district; and

32 (6) The expenditure of funds for the direct and indirect costs of
33 maintaining and operating the program of education that are
34 appropriated by the legislature and allocated by the superintendent
35 of public instruction for the exclusive purpose of maintaining and
36 operating residential school programs of education, and funds from

1 federal and private grants, bequests and gifts made for the purpose
2 of maintaining and operating the program of education.

3 Sec. 4. Section 72.40.040, chapter 28, Laws of 1959 as last
4 amended by section 68, chapter 80, Laws of 1977 ex. sess. and RCW
5 72.40.040 are each amended to read as follows:

6 The schools shall be free to residents of the state between the
7 ages of ~~((six))~~ five and twenty-one years until the 1984-85 school
8 year, between the ages of four and twenty-one years commencing with
9 the 1984-85 school year, and between the ages of three and twenty-one
10 years commencing with the 1985-86 school year, and who are blind or
11 deaf, or otherwise sensory handicapped, and who are free from
12 loathsome or contagious diseases: PROVIDED, ((That children under
13 the age of six, who are otherwise qualified may be admitted to the
14 school, if in the discretion of the superintendent they are proper
15 persons to receive the training given in the school and the
16 facilities are adequate for proper care, education, and training;
17 PROVIDED-FURTHER,)) That students over the age of twenty-one years,
18 who are otherwise qualified may be retained at the school, if in the
19 discretion of the superintendent in consultation with the faculty
20 they are proper persons to receive further training given at the
21 school and the facilities are adequate for proper care, education,
22 and training.

23 NEW SECTION. Sec. 5. There is appropriated to the
24 superintendent of public instruction from the general fund for the
25 biennium ending June 30, 1985, the sum of three hundred seventy
26 thousand dollars or so much thereof as may be necessary to carry out
27 the purposes of this act.

28 NEW SECTION. Sec. 6. If any provision of this act or its
29 application to any person or circumstance is held invalid, the
30 remainder of the act or the application of the provision to other
31 persons or circumstances is not affected.

Sec. 8

Passed the House February 29, 1984.

W. Wayne Ellis
Speaker of the House

Passed the Senate February 28, 1984.

John A. Chaberg
President of the Senate

FORM OF ORDER AND TRANSMITTAL BY AGENCY HAVING SINGLE HEAD

State of Washington

SUPERINTENDENT OF PUBLIC INSTRUCTION
(agency name)

Administrative Order No. 84-19

(1) I, FRANK S. BROUILLET, YH

SUPERINTENDENT OF PUBLIC INSTRUCTION

do promulgate and adopt as Olympia, Washington

(place)

the attached rules relating to

392-171 WAC SPECIAL EDUCATION PROGRAM--EDUCATION FOR ALL HANDICAPPED CHILDREN

(2) ALTERNATIVE A. Use only for Adoption of Permanent Rules.

This action is taken pursuant to Motion No. 84-14-018
that took the rule review on 5/26/84. These rules shall take effect:
☒ thirty days after they are filed with the rule review pursuant to RCW 34.04.020.
☐ at a later date, such date being _____

(3) ALTERNATIVE B. Use only for Adoption of Emergency Rules.

I, _____, find that
an emergency exists and that this order is necessary for the preservation of the public health, safety, or general welfare and that observance of the requirements of notice and opportunity to present views on the proposed action would be contrary to public interest. A statement of the facts constituting the emergency is _____

These rules are therefore adopted as emergency rules to take effect upon filing with the rule review.

(3) Pursuant to the requirements of RCW 34.04.020 that "every agency shall incorporate the most specific, but in no case less than, of the following language alternatives when adopting or amending rules" (a), (b), or (c) as appropriate:

☒ (a) This rule is promulgated pursuant to RCW 28A.13.070(2)
and is intended to administratively implement that statute.

☐ (b) This rule is promulgated pursuant to RCW _____
which directs that the _____

(agency)

has authority to implement the provisions of _____

(name of act or RCW statute)

☐ (c) This rule is promulgated under the general rule-making authority of the _____

(agency)

as authorized in RCW _____

(4) The undersigned hereby declares that the agency has complied with the provisions of the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.04 RCW) and the State Register Act (chapter 34.08 RCW) in the adoption of these rules.

(5) This order, after being first recorded in the order register of this agency, is herewith transmitted to the Code Reviser for filing pursuant to chapter 34.04 RCW and chapter 1-12 WAC.

APPROVED AND ADOPTED JUNE 28, 1984

STATE OF WASHINGTON
FILED

By Frank S. Brouillet

SUPERINTENDENT OF PUBLIC INSTRUCTION

Title

[Form CR-7: Rev. 7/23/82]

JUN 23 1984

CODE REVISER'S OFFICE
WSR 84-14-036

NEW SECTION

WAC 392-171-295 AUTHORITY. The authority for this chapter is RCW 28A.13.070(7) which authorizes the superintendent of public instruction to promulgate rules and regulations to implement chapter 28A.13 RCW. Such authority is supplemented by RCW 28A.02.100 which authorizes the superintendent of public instruction to receive federal funds in accordance with the provisions of federal law.

AMENDATORY SECTION (Amending Order 80-31, filed 8/19/80)

WAC 392-171-325 STUDENTS' RIGHTS TO SPECIAL EDUCATION PROGRAMS. (1) Each school district shall provide every handicapped student ~~((of seven-school-age))~~ between the age of three and twenty-one a free and appropriate educational program consisting of special education and related services. The date of eligibility to begin receiving such services shall be the child's birthdate; PROVIDED, That handicapped children between the age of three and four need not be served until the 1985-86 school year. ~~((seven-school-age-is-age-five-to-age-seven))~~

(2) School districts may provide special education and related services to handicapped students in the zero to one, one, two, three and/or four year old age groups without being obligated to extend pre-school programs to nonhandicapped children. However, if a school district provides an education to any nonhandicapped child in the zero to ~~((one-two-three))~~ three((four-five)) year old age group, the district shall make special education and related services available pursuant to this chapter to all its handicapped students of the same age; PROVIDED, That school districts that do not offer services to all eligible three year old handicapped children in the 1984-85 school year shall be subject to this nondiscriminatory service requirement.

(3) Any student made a focus of concern shall qualify pursuant to the disability definitions and criteria set forth in this chapter in order to receive state or federal special education funding. A handicapped student shall remain eligible for special education and related services until: (a) The student has met high school graduation requirements established by the school district pursuant to rules of the state board of education; or (b) the student has reached age twenty-one; or (c) the student is no longer in need of special education and related services as judged by the student's multidisciplinary team based upon a reassessment of the student, whichever occurs first. The student may continue to receive special education and related services; PROVIDED, That a reassessment of the student concludes that, notwithstanding the fact that the student no longer meets the initial eligibility criteria, the student's performance is or will be adversely affected if he or she is terminated from special education.

"Grandfather" clause

AMENDATORY SECTION (Amending Order 80-31, filed 8/19/80)

WAC 392-171-331 CONTINUING ELIGIBILITY. (1) Any student whose eligibility was established pursuant to rules in effect at a time of prior assessment but before September 1, ((4990)) 1998, shall continue to remain eligible for special education and related services under the authority and provisions of such prior rules unless:

(a) The student has met high school graduation requirements established by the school district pursuant to the rules of the state board of education; or

(b) The student reaches age twenty-one; or

(c) The student is no longer in need of special education and related services: PROVIDED, That the determination that the student needs to receive special education and related services is based on a reassessment of the student which concludes that, notwithstanding the fact that the student no longer meets the initial eligibility criteria, the student's performance is or will be adversely affected if he or she is terminated from special education. Any such student shall be reassessed pursuant to WAC 392-171-346 through 392-171-366 and the applicable section(s) of WAC 392-171-381 through 392-171-451.

(2) Any student made a focus of concern for the first time and/or assessed for the first time after September 1, ((4990)) 1998, shall be assessed and determined eligible pursuant to WAC 392-171-346 through 392-171-366 and the applicable section(s) of WAC 392-171-381 through 392-171-451.

(3) Effective September 1, ((4990)) 1998, and thereafter, every handicapped student shall remain eligible for special education and related services only so long as the student has not yet met high school graduation requirements established by the school district pursuant to rules of the state board of education or the student has not reached age twenty-one, or the student no longer requires special education and related services as judged by the student's multidisciplinary team based on a reassessment of the student.

(4) The student whose twenty-first birthday occurs during the school year ((sey)) shall continue to be eligible for special education and related services for the remainder of the school year.

Rules on assessment

AMENDATORY SECTION (Amending Order 80-31, filed 8/19/80)

WAC 392-171-351 GENERAL ASSESSMENT SAFEGUARDS—PERSONNEL, MATERIALS AND PROCEDURES. Every student who is assessed or reassessed shall be assessed according to the procedures established in this chapter.

(1) The assessment of a student (except one with a suspected communication disorder) shall be made by a multidisciplinary team ((se)) ~~of a group of professionals including at least one special education teacher ((or other specialist with knowledge)) and at least one person qualified to conduct individual diagnostic assessment~~ in the area of ((the)) suspected disability. Each member of the team shall be licensed, registered, credentialed, or certificated according to his or her professional standards in accordance with state statutes

and rules: PROVIDED, That in assessing a student suspected of having a specific learning disability, each school district shall include on the multidisciplinary team at least three members:

(a) The student's regular education teacher ~~((?))~~ or, ~~((if?))~~ if the student does not have a regular education teacher, a regular ~~((teacher))~~ education teacher qualified to teach a student of his or her age; ~~((or))~~

(b) A special education teacher having experience with learning disabled students; and

~~((For--a--student--of--less--than--school-age--an individual trained in early childhood education designated--by--the--school--district--and~~

~~((?))--at least one person qualified to conduct individual diagnostic examinations of students--such as)) A school psychologist ~~((?--communication disorder specialist, special education teacher or remedial reading teacher))~~.~~

(2) No single test instrument or single procedure shall be the sole criterion for determining a student's eligibility or handicapping condition, and/or for determining the appropriate educational program for a student.

(3) Assessment materials, procedures, and instruments used for the purpose of assessment and placement shall be selected and administered so as not to be racially or culturally discriminatory.

(4) All tests and other evaluation materials shall have been validated for the specific purpose for which they are used((?)) and shall accurately reflect whatever factors the tests purport to measure. If properly validated tests are unavailable, the professional judgment of each member of the multidisciplinary team shall determine eligibility for special education based on other evidence of the existence of a specific handicap and need. This professional judgment shall be documented in a written narrative.

(5) All tests and other evaluation materials shall be administered by ~~((trained))~~ qualified personnel in conformance with the instructions of their producer ~~((?--and--shall--accurately--reflect--whatever--factors--the--tests--purport--to--measure))~~. Tests designed to measure intellectual functioning shall be administered and interpreted by a qualified psychologist: PROVIDED, That cognitive tests for developmentally delayed students other than an intelligence quotient test shall be administered by a qualified psychologist or by professionals with other titles who have considerable training and experience in individual psychological or psychoeducational assessment.

~~((4?))~~ (6) Assessment materials, procedures or instruments shall be provided and administered in a student's primary language or mode of communication, unless it is clearly not feasible to do so. Tests shall be selected and administered so as best to ensure that, when a test is administered to a student with impaired sensory, manual, or speaking skills, the test results accurately reflect the student's aptitude or achievement level or whatever other factors the test purports to measure, rather than reflecting the student's impaired sensory, manual, or speaking skills (except where those skills are the factors the test purports to measure).

~~((4?))~~ (7) In conducting assessment activities, appropriate assessment team members shall:

(a) Collect and review all available existing school, medical, and other records pertinent to the suspected handicapping condition(s)

of the student, including previous screening and assessment ((s)) results, health reports, ((and)) relevant cumulative records and recommendations of related service providers; and

(b) Conduct ((such)) current assessment activities ((as-are)) required by this chapter and in accordance with the procedures specified herein; and

(c) Collect such other data as needed to ((corroborate)) verify the ((validity)) results of standardized ((measures)) testing, including but not limited to parent and/or teacher interviews and current classroom performance data.

((16)) (d) Assessment data shall be summarized in writing, dated, and signed by each person conducting an assessment. Information used to support the assessment, but which is not incorporated into the file, (e.g., review of health record), shall be referenced as to date of record, location, and source person. The summaries shall specify the procedures and instruments used, the results obtained, and the apparent significance of findings as related to the student's instructional program, including a description of the specific factors which are interfering with the student's educational performance and the special education and related services needed to assist the student in benefiting from his or her educational placement, including the need, if appropriate, of scheduling such services over a period of time that exceeds the regular one hundred eighty day school calendar; PROVIDED, that in the event the assessment is an initial assessment by the district, the recommendation regarding the appropriateness of an extended school year for a particular student need not be made until the end of the school year in which the initial assessment was made.

ASSESSMENT SECTION (Amending Order 90-31, filed 8/19/80)

WAC 392-171-366 SUMMARY ANALYSIS OF ASSESSMENT DATA. (1) The leader of a student's assessment team shall review and analyze the summaries of assessment data provided for in WAC 392-171-351(6) and any other available data in each of the areas assessed. The conclusions, recommendations, and the facts and/or reasons resulting in the eligibility decision pursuant to WAC 392-171-376 shall:

(a) Describe the discrepancy which exists between the student's actual performance and his or her expected performance;

(b) Identify the ((disability)) handicapping condition(s), if any, that qualifies the student as a handicapped student;

(c) Set forth the nature and extent of the special education and related services that the student needs, if any;

(d) Reconcile any inconsistent or contradictory information and/or opinions evidenced in the assessment data, if any, supporting conclusion(s) with appropriate data;

(e) Relate the apparent significance, ((if-any)) as appropriate, of such factors as test measurement error or cultural, environmental, economic, and behavioral factors to the assessment results((?))

((17)) Where specific test results obtained in any assessment do not appear to the multidisciplinary team to accurately reflect a child's expected performance the multidisciplinary team shall apply

professional judgment to determine eligibility for special education and related services. In such event, the multidisciplinary team shall document in a written narrative the basis for such determination, the instruments used, and the data used for a determination of eligibility.

(f) Make recommendations to the individualized education program committee regarding placement, special education and related services needed (including the need, if appropriate, of scheduling such services over a period of time that exceeds the regular one hundred eighty school days), needs for specialized materials or equipment, ((instructional)) learning modalities (e.g., auditory), and student management strategies (e.g., reinforcement schedules, etc.), as determined by the multidisciplinary team to be significant to the student's program. If the multidisciplinary team at the time of the student's initial assessment by the district for professionally sound reasons is unable to make a recommendation regarding the need for an extended school year for a particular student, the multidisciplinary team shall make its recommendation regarding an extended school year prior to the first following initial assessment; and

(g) Provide any necessary professional judgment(s) and the facts or reasons in support of the judgment(s).

(2) The summary analysis shall be signed and dated by both the team leader and the school district's special education director or his or her designee.

(3) Provided that, in the case of a student suspected of having a specific learning disability, the summary analysis shall also include a statement of:

(a) The relevant behavior noted during ((the)) observation(s) of the student, including the relationship of that behavior to the student's academic problem(s) in the regular education program;

(b) ((The relationship of that behavior to the student's academic functioning)) A summary, if applicable, of previous intervention attempts and results; and

(c) The educationally relevant medical findings, if any, including the results of a current vision and hearing screening.

(4) Each multidisciplinary team member shall certify in writing whether the summary analysis reflects his or her conclusion. If it does not reflect his or her conclusion, the team member must submit a separate statement presenting his or her conclusion(s) and the reasons therefor.

Preschool

AMENDATORY SECTION (Amending Order 30-31, filed 3/19/90)

WAC 392-171-381 DEFINITION AND ELIGIBILITY CRITERIA FOR DEVELOPMENTALLY HANDICAPPED ((PRESCHOOL-STUDENTS)). Definition and eligibility criteria for developmentally handicapped ((preschool-students)) are as follows:

((A preschool student from birth until of chronological age to be eligible for first grade shall be considered to have a significant delay and to be developmentally handicapped if the student is functioning at seventy-five percent or less of his/her chronological age

in two or more of the following developmental areas: fine motor, gross motor, expressive language, receptive language, social, self-help, cognitive or sensory development.

All students considered for initial placement in special education as preschool developmentally handicapped shall be assessed and determined eligible for special education and related services according to the following:

(1) An annual multidisciplinary assessment of developmental level obtained from a functional profile which addresses performance in the following areas:

(a) Fine motor; (b) gross motor; (c) expressive language; (d) receptive language; (e) social; (f) self-help; (g) cognitive; (h) sensory.

(2) The assessment team shall include an individual trained in early childhood education or an individual with knowledge in the area of the student's suspected disability and two or more of the following as appropriate: (a) Psychologist; or (b) physician or other qualified medical practitioner; or (c) audiologist; or (d) occupational or physical therapist; or (e) school or public health nurse; or (f) communications disorders specialist; or (g) social worker; or (h) teacher.

(3) The functional profile shall be derived from individually administered standardized or professionally recognized developmental scales which result in chronological age equivalents. Observations and interviews shall be administered by the assessment team. Information obtained from the tests, observations and interviews shall be compiled by the multidisciplinary team leader and shall be summarized according to the procedures in WAC 392-171-366. A student shall be considered as having a significant developmental delay if he or she exhibits a deficit of twenty-five percent or more in any two of the areas listed above.

392-171-367. That in cases where the multidisciplinary team assessment of the student's developmental level has been concluded and where the results do not document a twenty-five percent deficit in two of the eight developmental areas provided for in the eligibility criteria, and a qualified medical practitioner has documented a medically diagnosed congenital syndrome or the assessment team has documented that the student has a high predictability of future developmental delays and is in need of special education and related services, the assessment team may recommend placement in a special education program. The student who becomes eligible for first grade, based on chronological age, during the school year may remain eligible as a preschool student for the remainder of the school year. The student shall be reassessed to determine eligibility in one of the handicap categories pursuant to WAC 392-171-366 through 392-171-451 prior to the beginning of the next school year.)

(1) As used in this chapter, the term "developmentally handicapped" shall mean children under the age of eligibility to the first grade who meet the definition and eligibility criteria for one of the following:

- (a) WAC 392-171-392, Developmentally delayed;
- (b) WAC 392-171-396, Orthopedically impaired;
- (c) WAC 392-171-401, Health impaired;
- (d) WAC 392-171-436, Deaf;
- (e) WAC 392-171-441, Hard of hearing;
- (f) WAC 392-171-446, Visually handicapped; and

(g) WAC 392-171-451. Deaf-blind:

(2) The term "developmentally handicapped" does not include children under the age of eligibility for entry to the first grade who qualify solely for communications disorder services under WAC 392-171-391.

NEW SECTION

WAC 392-171-382 DEFINITION AND ELIGIBILITY CRITERIA FOR DEVELOPMENTALLY DELAYED. Definition and eligibility criteria for developmentally delayed are as follows:

(1) Developmentally delayed, birth to three years. As used in this chapter, the term "developmentally delayed, birth to three years" shall mean those children under three years of age who demonstrate a 1.5 standard deviation or twenty-five percent delay in the developmental delay area of cognitive (WAC 392-171-383(1)), communication (WAC 392-171-383(2)), fine motor (WAC 392-171-383(3)), gross motor (WAC 392-171-383(4)), or motor which for the purpose of this section shall be a combined delay area of fine motor (WAC 392-171-383(3)) and gross motor (WAC 392-171-383(4)). Such children in order to continue to be eligible for special education and related services after reaching three years of age shall meet the entry eligibility criteria for developmentally delayed, three to six years or one of the other eligibility criteria specified in WAC 392-171-381;

(2) Developmentally delayed, three to six years. As used in this chapter, the term "developmentally delayed, three to six years" shall mean those children between three years and the age of eligibility for entry to the first grade who receive a score on a standardized norm referenced test, with a test-retest or split-half reliability of .80 that is at least:

(a) Two standard deviations below the mean in one or more of the five developmental delay areas defined in WAC 392-171-383; or

(b) One and one-half standard deviations below the mean in two or more of the five developmental delay areas defined in WAC 392-171-383.

NEW SECTION

WAC 392-171-383 AREAS OF DEVELOPMENTAL DELAY--DEFINITIONS. The five developmental delay areas for the purpose of applying eligibility criteria to developmentally delayed children are:

(1) Cognitive: Comprehending, remembering, and making sense out of one's experience. Cognitive ability is the ability to think and is often thought of in terms of intelligence;

(2) Communication: The ability to effectively use or understand, age-appropriate language, including vocabulary, grammar, and speech sounds;

- (3) Fine motor: Motor skills requiring precise, coordinated use of the small muscles;
- (4) Gross motor: Motor skills used for body control such as standing, walking, balance and climbing; and
- (5) Social/emotional: The ability to develop and maintain functional interpersonal relationships and to exhibit age appropriate social and emotional behaviors.

NEW SECTION

WAC 392-171-384 DISTINCTION BETWEEN DEVELOPMENTALLY HANDICAPPED AND COMMUNICATION DISORDER—REASSESSMENT OF DEVELOPMENTALLY DELAYED UPON ENTRY TO FIRST GRADE. (1) Except for children who qualify solely for communications disorder services under WAC 392-171-391, children under the age of eligibility for entry to first grade, in order to be eligible for special education and related services, shall meet the eligibility criteria for one of the handicapping conditions specified in WAC 392-171-381.

(2) Children under the age of eligibility to first grade, who qualify for special education as developmentally delayed under WAC 392-171-382 shall not qualify for special education and related services upon entry to first grade until a reassessment is conducted and a determination is made that the student qualifies under the provisions of one of the other handicapping conditions in this chapter.

AMENDATORY SECTION (Amending Order 83-1, filed 3/30/83)

WAC 392-171-386 DEFINITION AND ELIGIBILITY CRITERIA FOR SERIOUSLY BEHAVIORALLY DISABLED. (1) Seriously behaviorally disabled students are those who exhibit one or more of the following characteristics over a long period of time and to a marked degree, which adversely affects their own educational performance:

- (a) An inability to learn which cannot be explained by intellectual, sensory, or health factors;
- (b) An inability to build or maintain satisfactory interpersonal relationships with peers and teachers;
- (c) Inappropriate types of behavior or feelings under normal circumstances;
- (d) A general pervasive mood of unhappiness or depression; or
- (e) A tendency to develop physical symptoms or fears associated with personal or school problems.

(2) The term includes students who are schizophrenic. The term does not include students who are socially maladjusted, unless it is determined that they are also seriously behaviorally disabled. Students whose primary disability is identified in another handicapping category do not qualify as seriously behaviorally disabled.

APPENDIX 5

NUMBER OF UNSERVED PRESCHOOL HANDICAPPED CHILDREN

Except for the fiscal note to the preschool mandate bill passed in 1984, all of the available evidence indicates that there were very few preschool handicapped children who were not served under the permissive law in 1983-84.

The fiscal note for House Bill 1311 estimated that, with no change in eligibility, the legislation would bring the following numbers of children into preschool programs:

	<u>Age 3</u>	<u>Age 4</u>
Developmentally handicapped	730	105
Communication disordered	<u>43</u>	<u>70</u>
Total	773	175

The fiscal note was based on "incidence" figures from other states, that is, on enrollment figures reported to the federal government by states in which service to three and four-year-old handicapped children is required by law. In the opinion of the LBC staff, this "incidence" method and the reported data from other states have so many variables that they are not reliable for estimating the number of unserved children in Washington. The fiscal note appears to have greatly over-estimated the number of unserved preschool handicapped children. This view is based on the following information.

1. According to SPI information, approximately 60 school districts (out of 299) did not offer a preschool handicapped program or contract for service as of late 1983. Most of these non-serving districts are very small, and many are thought to have no preschool handicapped children. The largest of the districts were Ferndale, Yelm, Vashon Island, Moxee, Grandview, Sequim, and North Mason.

2. In February 1984 the LBC staff contacted staff at the nine Educational Service Districts and asked for their best estimate of the number of three and four-year-old children in that ESD who would be brought into programs as a result of the preschool mandate bill. The same question was put to special education staff in the two largest non-serving districts, Ferndale and Yelm. The local and ESD responses were mostly based on Child Find information. If that was

not available, the estimates assumed that 2.5% of the three and four-year-old population in the non-serving districts would be found to be handicapped.

In this manner it was estimated that a total of 104 children, age three and four, would qualify as developmentally handicapped and be served under a preschool mandate. A smaller number of other children would qualify as communication-disordered.

(Note: These estimates assumed no change in eligibility criteria. However, the final version of the 1984 preschool legislation tightened the eligibility. See above, appendix 4.)

3. Anecdotal information from the approximately 240 districts which already accept responsibility for preschool handicapped children from age three indicated that virtually all eligible children were being served.

4. As a partial test of the general school-district view that there were few unserved preschool handicapped children, the LBC staff contacted the state Department of Services for the Blind (formerly Commission for the Blind). The Department operates an information and referral program for blind children and their families. The purpose was to determine how many blind clients in the relevant age group were enrolled in a preschool handicapped program.

The Department's caseload included 52 blind children who were age 3 or 4 as of September 1, 1983. Of the 52 children, 48 were found to be enrolled in a preschool handicapped program for the 1983-84 school year. Three children were not enrolled by parental choice. Information on the remaining one child was not available. Thus, it appears that virtually all three and four-year-old blind children were enrolled in a preschool program if desired by their parents.

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AUG 14 1984



SPI

DR FRANK B BROUILLET

Superintendent of Public Instruction

August 14, 1984

Mr. Donald F. Peterson
Legislative Auditor
Legislative Budget Committee
506 East 16th
Olympia, WA 98504

Dear Mr. Peterson:

The draft proposed final report on preschool handicapped programs was received on August 8, 1984. Following is our agency response to the recommendations utilizing your requested format:

<u>RECOMMENDATION</u>	<u>RESPONSE</u>
1. Funding Formula	Concur
2. Forward Funding	Withdrawn
3. Categorical Eligibility	Implemented
4. Assessment Instruments	Implemented
5. Developmental Delays	Implemented
6. Program Data	Do Not Concur Monthly preschool enrollment information is currently received from school districts for funding purposes. Other program information is collected during ongoing monitoring of school district programs. Additional information will continue to be collected on an as needed basis through special surveys and personal contacts. Additional data requirements would be burdensome to school districts.

Mr. Donald F. Peterson
August 14, 1984
Page Two

<u>RECOMMENDATION</u>	<u>RESPONSE</u>
7. Program Standards	Concur
8. Mainstreaming	Concur
9. Private Preschools	Concur
10. Audit Enrollments	Concur

Any questions regarding the response to the recommendations should be addressed to Dr. Judy Schrag, Assistant Superintendent.

Sincerely,

Frank B. Brouillet

Frank B. Brouillet
State Superintendent
of Public Instruction

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STAFF RESPONSE TO

AGENCY COMMENTS

The LBC staff appreciates the cooperation of the Office of the Superintendent of Public Instruction in discussing this report at length and advising on the recommendations. The agency response, shown on the previous pages, is favorable on all but one of the recommendations.

The one matter in dispute is recommendation 6, which calls for school district reporting of program data. At the request of the Assistant Superintendent for Special Services, the wording of that recommendation was changed as to the frequency of program reports. Nevertheless, the agency does not concur. The stated reasons are: (1) Program reports would be burdensome to local school districts, and (2) Program information is collected by SPI in other ways, including monitoring, special surveys, and "personal contacts."

In the opinion of the LBC staff, such data collection methods will not result in systematic program information being available at the state level. The need for program information to support budget requests is discussed in the report on pages 37 and 42. The recommendation should be left to stand.

State handicapped funding is based on average enrollment by handicapping category, without regard to the actual level of service given in a district. This may not be a wise approach, especially when the state has no systematic data on actual service levels.

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FACTS ABOUT THE LEGISLATIVE BUDGET COMMITTEE

The Legislative Budget Committee, a statutory joint committee of the Legislature, is composed of eight Senators and eight Representatives equally divided between the two major political parties. It serves as a general purpose oversight arm of the Legislature. The Committee staff, headed by the Legislative Auditor, undertakes studies, surveys and performance audits concerning the economy, efficiency and effectiveness of State programs and agency operations. It may also examine whether appropriations have been expended in accordance with legislative intent. Assistance is also provided to House and Senate standing committees and to individual legislators in areas of Committee staff expertise. The Committee staff also conducts program and fiscal reviews of State agencies, programs or statutes scheduled for legislative review and possible termination under the Washington Sunset Act (Chapter 43.131 RCW).

The regular performance audits undertaken by the Committee staff include reviews of program goals and objectives of State agencies to determine how faithfully State agencies are conforming with legislative intent. These audits are intended to provide, for legislative review, objective analyses of the economy, efficiency and effectiveness of State agency and State program management.

The Legislative Budget Committee staff also monitors and reports on the use of consultants by State agencies and maintains a central control file of personal services contracts for legislative and public use. Spending from unanticipated Federal, State or local revenues by State agencies is also monitored by the Committee staff. A regular report of such spending is provided to the Committee and other interested parties.

Other oversight responsibilities assigned by the Legislature concern general fund revenue forecasts, educational clinics, salary survey plans, fiscal notes, the Washington Public Power Supply System and confidential motor vehicle plate use by public entities.

The Committee meets on a monthly basis during the interim period between legislative sessions, or more often when circumstances indicate the desirability or necessity of additional meetings. The Committee reports directly to the Legislature, making recommendations for legislative consideration and action.